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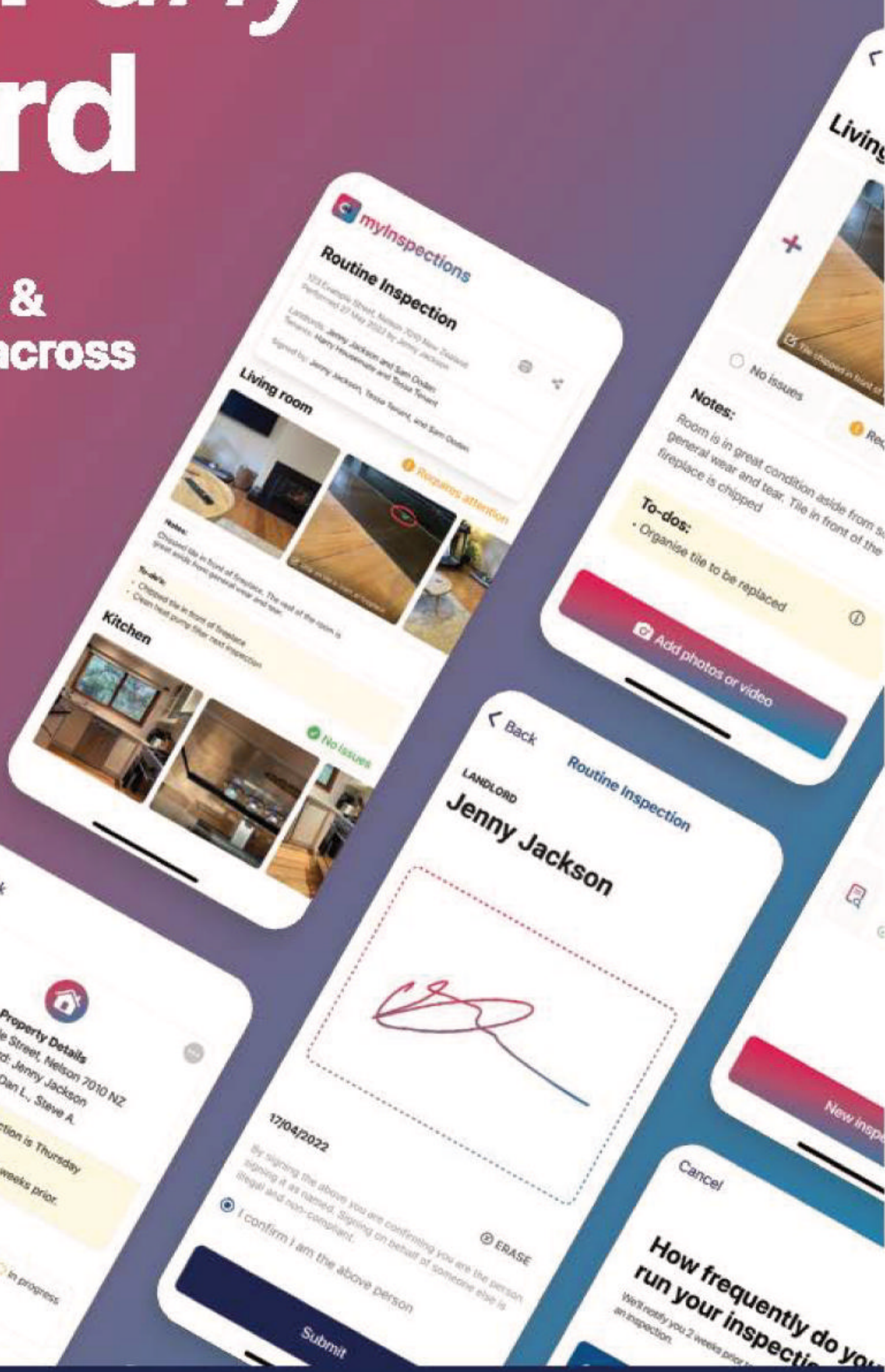
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Living room
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LANDLORD
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Property Details
123 Example Street, Nelson 7010 NZ
Landlord: Jenny Jackson
Tenants: Dan L., Steve A.
Recommended next inspection is Thursday 11th August 2022. Edit
We'll send you a reminder 2 weeks prior.
Inspections
Routine Inspection
Thursday May 19th 2022
In progress
Initial Inspection
Friday Feb 18th 2022
Completed
No issues
Notes:
Room is in great condition aside from general wear and tear. Tile in front of the fireplace is chipped
To-dos:
• Organise tile to be replaced
Add photos or video
Cancel
How frequently do you run your inspection
New insp

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THE FOUNDATIONS OF A GOOD IDEA

Have house, will travel … we discover all there is to know about relocatable homes and how they have developed into attractive investments.

Relocatable homes have come of age recently. No longer are they just old, formerly unwanted properties shipped to a new location; innovations in technology around construction have seen these morph into attractive, highly liveable portable homes.

In our May issue we discover all there is to know about relocatable homes. Interestingly, those of us who were born in New Zealand are far less likely to choose relocatable homes when looking to add value.

According to Mike Forde, of Forde Brothers House Removals, 99 per cent of Forde's relocatable homes are sold to Chinese investors.

"Most home-grown Kiwi property investors will not look at a relocatable home – moving a house to the back of a section and making room for another one, two or three relocatable homes as rentals," he says. "We have found Chinese property investors have the land and finance, get on with it and improve the value of their property in a short time."

Education is key when it comes to relocatables. They are excellent for adding value to existing properties, the council consent process is much simpler than if subdividing and adding an extra dwelling, and they are considered new builds under government regulation. This means you can still claim back interest as a deductible expense and the bright-line is set at five years instead of 10.

Our profile this issue, Ben Connor, understands the value of relocatable homes. He helps investors add value to their properties through the addition of relocatable homes, and he also uses this strategy for his own portfolio.

Connor is one of those rare individuals who has always understood the power of saving. As a university student, he and his partner saved while others partied, and it's led to a level of financial literacy (and success) that few other 33-year-olds can boast.

After studying as an architect and working in various associated firms up until Covid, Connor was forced to start his own design and compliance firm after redundancy in early 2020. It was terrifying at the time, but it's proven to be a great move and he's been very successful. He has also been very successful at property – he now owns seven houses over five properties and is looking at ways in which to add extra value.

We also launch the annual Healthy Homes Special this issue. The deadline for properties to adhere to the standards is July 1, 2025 and in this issue we look at heating. The heating calculator has been known to cause headaches, so have a read and make sure you get the best advice before forking out money on an appropriate heating device.

We hope you enjoy this May edition of *New Zealand Property Investor* magazine and find inspiration as we head towards winter.

Thanks for your support!

From the team at *New Zealand Property Investor.*

New Zealand property INVESTOR

NZ PROPERTY INVESTOR MAGAZINE PUBLISHER
Opes Media Limited
2/236 High Street,
Christchurch, 8011

EDITOR
Joanna Mathers
E joanna@propertyinvestor.co.nz

ART DIRECTOR
Sally Fullam
E sally@propertyinvestor.co.nz

ACCOUNT MANAGER / ADVERTISING SALES
Stephanie Bryant
M +64211658018
E stephanie@propertyinvestor.co.nz

WRITER
Sally Lindsay

SUB-EDITOR
Mike Deacon

SUBSCRIPTIONS
Jill Lewis
T 0800 888 643
E subs@propertyinvestor.co.nz

To subscribe go to
www.propertyinvestor.co.nz

CONTRIBUTORS
Kelvin Davidson, David Faulkner, Matthew Gilligan, Jeremy Gray, Eric Hammond, Sue Harrison, Andrew Logie, Kris Pedersen, Caleb Pearson, Stevie Waring, Ryan Weir, Mark Withers.

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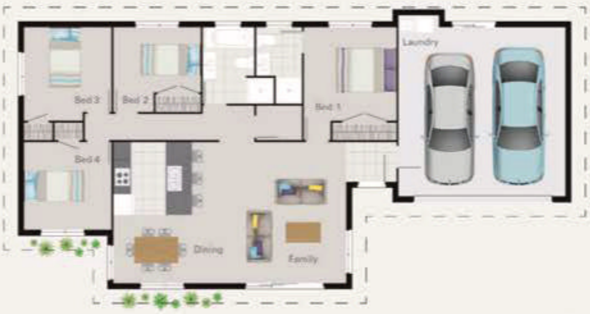

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NZPIF FROM THE PRESIDENT'S DESK
SUE HARRISON

NOW THERE'S PROOF OF STRUCTURAL DAMAGE

The Reserve Bank only has eyes for bringing down inflation, which has brought a sledgehammer to the property market, writes **Sue Harrison**.

As the value of properties throughout the country falls dramatically we have survey results that prove the structural damage caused to the rental marketplace.

The marketplace relies very heavily on private ownership of around 85 per cent of rental homes. Owning rental homes is a business with a range of expenses beyond the mortgage involved, so there needs to be some rewards as part of the risks of the investment involved.

The Reserve Bank only has eyes for bringing down inflation, which has brought a sledgehammer to the property market. As yet nothing is being done to help ease the pain for landlords and therefore tenants, who are the end users of our mostly privately funded rental market place.

Instead, the financial burden has been increased for those brave enough to risk owning tenanted investment homes by increasing interest rates and taxes, along with tighter rules for managing difficult tenancies. The upshot is when we lose good properties and good stewards of tenancies (landlords) it is a slow process to replace rental homes.

DEMAND UP

This is playing out now as the demand is steadily increasing with borders open once again. The pain caused by a shortage in supply is increasing.

> **'The pain caused by a shortage in supply is increasing'**

With the percentage of mortgage interest that can be claimed reducing to 50 per cent from April 1 as the policy roll-out continues, this year we have repeated a 2021 survey. The significant result was the percentage of rental property owners indicating they will, or probably will, sell one or more rental properties due to these new rules increased from 21.22 per cent in 2021 to 34.5 per cent in 2023.

At the other end of the scale, the percentage of respondents who indicated that they will not, or probably will not, sell one or more rental properties reduced in this time from 58.1 per cent in 2021 to 44.23 per cent in 2023.

The 2023 survey data shows this legislative tax change is adversely affecting rental property owners and tenants of these properties. As the policy roll-out continues and the percentage of mortgage interest that can be claimed as a business expense reduces further, these negative impacts will be amplified more.

STANDARD OF LIVING

Tenants are at risk of losing their home if rental property owners are forced to sell. Tenants' standard of living will also be negatively impacted because additional cosmetic maintenance will no longer be a feasible option for many owners.

This 2023 survey data also highlights the negative attitudes of New Zealand property investors towards the current legislative environment. Comments within the survey show that investors are not happy with the treatment they are receiving from the current government, with many close to selling all properties and exiting the industry altogether.

As an organisation NZPIF serves apolitically to provide the views of property investors who are critical to the marketplace for rental homes. The market needs to function in balance and our members strive to be excellent stewards of their tenancies, whether by using property managers or self-managing. It is not feasible, sensible nor part of a good democracy for all housing to be state owned. Our greatest challenge to this government is to restore the tax deductibility of mortgages so tenants as the end users may benefit.

See you at your local property investors' association soon. Go to www.nzpif.org.nz for meeting and joining information. ■

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WINNING FORMULA FOR TOP 30 AIRBNBS

Zodiak's stellar managed property performers in Auckland have several key features in common. **Stefan Nikolic** reveals all.

Have you ever wondered if your property will perform well as an Airbnb? At Zodiak, we manage a variety of different properties for a variety of different clients – some owners use our service because they want income while still being able to use their property at times; other owners use our service to maximise rental returns on their investment.

All our owners earn more than the tenancy rental rate for their properties, after all fees are deducted. On average, Zodiak clients earn 52 per cent more than the tenancy rental rate for their property after all fees, with our very top performing properties earning over 100 per cent more with us after fees than they could achieve on the long-term rental market.

That's pretty good. We did an analysis of our top 30 managed properties recently and found they earn an average of 75 per cent more than the tenancy rental rate after all fees, so what features do these properties share in common?

BEDROOMS, BATHROOMS

Fifty-seven per cent of our top 30 performing properties are two-bedroom apartments or units. These seem to achieve the highest returns on Airbnb compared with tenancy rental income. Twenty-three per cent are one-bedroom apartments, and 20 per cent are three-bedroom plus apartments or houses.

The number of bathrooms seems less important as 50 per cent of the top performing properties have one bathroom, and 50 per cent have two. However, two and three-bedroom properties with two bathrooms definitely perform better than if they have only one bathroom.

PARKING

Parking is a major amenity for tourists and corporate travellers, and 63 per cent of our top 30 properties have at least one parking space available for guests. Having a parking spot means the listing will appeal to a larger number of potential guests online, resulting in more clicks and a higher ranking in the search results, and therefore a higher nightly rate.

OWNER USE

Although it is convenient to use your Airbnb property for your own visits to Auckland, this has a major impact on the financial performance of the listing. Of our 30 top performing Airbnb properties, 63 per cent of owners never used their properties for their own visits, and 37 per cent of owners used their properties very infrequently (less than two weeks a year). Properties where the owner stayed for more than two weeks per year didn't make it into the top 30 list at all.

OUTDOOR SPACE, VIEWS

Interestingly, 90 per cent of our top performing properties have either a balcony (for apartments) or a deck for guests to use during their stay. This is the most conclusive data point here; having an outdoor space will help your property perform exceptionally well on the short-term rental market.

Unsurprisingly, having a view of the iconic Sky Tower or ocean will also attract a higher nightly rate; 13 per cent of the top performing properties have a view of the Sky Tower from the window, and 37 per cent have an ocean or waterfront view towards the Viaduct/Waitemata Harbour.

I hope that helps if you're thinking about joining the short-term rental market. To find out what your property could earn, please get in touch with me using the information below and I'll send you a free Airbnb Rental Appraisal. ■

Stefan Nikolic is managing director at Zodiak Management.
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or email stefan@zodiak.co.nz

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KEYHOOK, INNOVATIVE END-TO-END SELF-MANAGEMENT

Investors are ditching expensive management services in favour of a digital platform with the added benefit of an expert human support team.

Keyhook is saving Kiwi landlords time, money, and frustration when it comes to managing their property portfolios.

Property investors across New Zealand are ditching their expensive management services in favour of the digital platform. Easily accessible via phone and computer, Keyhook handles compliance, maintenance, arrears chasing and more all in one app but with the added benefit of an expert human support team available around the clock to sort out unexpected problems.

Keyhook, co-founded by Wellington property investor Luke Nicholls and Silicon Valley CTO Aaron Rama, was born of Nicholls' frustration with the options available to him as he began managing his first investment property.

"I had a couple of bad experiences with property managers early on, and I found the leading self-management software solutions were unintelligent and dated.They also lacked a human element that I felt was a prerequisite for any tenancy," he says.

UNIQUE APPROACH

Keyhook takes leading technology and pairs it with a team of knowledgeable industry professionals who provide a human touch to support landlords and tenants whenever they need it. This unique two-pronged approach has seen hundreds of users join Keyhook month-on-month so far this year.

"One of the best examples of the human element having real benefits is through Keyhook's maintenance feature," says Nicholls.

Tenants request maintenance through the Keyhook app and are, in turn, contacted by a Keyhook maintenance manager who works with them to diagnose the issue and suggest simple solutions where appropriate.

"Things as simple as flipping a switch or cleaning a filter are far more common than a lot of people might think," says Nicholls.

One in eight maintenance requests submitted through Keyhook is resolved without having to call a tradesperson, which prevents false callouts and saves landlords unnecessary costs and headaches.

When tradespeople are required at a property, Keyhook's designated maintenance managers source estimates and coordinate repairs, meaning that, for landlords, rental maintenance issues are reduced to just two clicks of a button.

USER-FRIENDLY

Keyhook's user-friendly interface is lauded by landlords and tenants, and allows tenants to quickly report maintenance issues and communicate with their landlords, meaning things get fixed faster and tenancies are more transparent.

As interest rates rise and regulations continue to squeeze the pockets of Kiwi property investors, more landlords are on the lookout for ways to cut costs where they can.

At just $4.99 a week, Keyhook is truly an all-in-one solution for self-managing landlords.The lifespan of an entire tenancy can be managed through one app, which handles everything from finding a tenant to calculating taxes, conducting inspections, and creating documentation, all while providing expert support throughout.

By self-managing using Keyhook, landlords stand to save over $2,000 in annual management fees*. Plus, by automating the mundane tasks involved in property management and outsourcing the time-expensive tasks that require human interaction, landlords are saving themselves hours of time and stress.

Download the Keyhook app today and join the thousands of Kiwi property investors who have never looked back. ■

* Based on 8 per cent of the median rent for Te Aro, Wellington.

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ANOTHER TWEAK TO CCCFA RULES

The changes that come into effect this month will improve safe access to credit, says Dr Duncan Webb.

The government has had a third go at fixing the rules around the Credit Contracts and Consumer Finance Act (CCCFA).

The latest changes announced just before Easter weekend by Dr Duncan Webb, Minister of Commerce and Consumer Affairs, include:

- explicitly excluding discretionary expenses from affordability testing
- providing more flexibility for lenders about how certain repayments are calculated
- extending exceptions from full income and expense assessments for refinancing of existing credit contracts.

The changes still mean affordability assessments are needed for all loans.

Webb says the changes that come into force on May 4 will improve safe access to credit for Kiwis.

"Whilst not departing from the original policy aim to ensure borrowers can repay loans without hardship, this tidies up the December 2021 changes to the CCCFA and Credit Contracts and Consumer Finance regulations," he says.

The CCCFA changes have been a thorn in the side of borrowers since they were introduced.

'EXCESSIVE' SPENDING

Although aimed at unscrupulous lenders, banks have become embroiled in the changes to the detriment of mortgage borrowers, who have had to supply a lot more detail. Banks can be fined if they don't elicit the extra details.

Once the changes came in, banks virtually stopped lending as they came to grips with what was required.

Many borrowers complained that banks would not give them a mortgage for "excessive" spending, such as buying Christmas presents or Lotto tickets.

The government decided some tweaks were needed, which were applied in July last year. However, most of the existing changes in the December 2021 regulations were kept in place. At the time the NZ Banking Association said the July tweaks wouldn't make much of a difference to borrowers.

VITAL FEEDBACK

Webb says the current amendments made to the final regulations were informed by feedback from lenders, financial mentors and consumer advocates after an MBIE exposure draft of the changes was released for consultation in September last year.

"This feedback was an extremely important step to ensure the workability of these final changes. It's important that New Zealanders can access safe, responsible and affordable credit," he says.

"I am confident we're striking the right balance between ensuring Kiwis can access credit effectively, while also maintaining a strong level of consumer protection." ■

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DTI RESTRICTIONS ON THE CARDS

Although the Reserve Bank hasn't said it will introduce DTIs, it has indicated they may come into play next year.

Debt-to-income levels will become a reality for mortgage borrowers next March, says Kelvin Davidson, CoreLogic's chief economist.

Although the Reserve Bank hasn't said it will introduce DTIs, it has indicated March next year is the date they will become a formal tool along with LVRs to restrict residential mortgage lending.

Davidson says the RBNZ will activate DTIs next year, but it won't be to curb lending in this housing cycle but for subsequent cycles so house prices never rise 40 per cent over two years as they did during the Covid pandemic.

Davidson says the RBNZ's recent release about the debt-to-income ratios didn't say anything new. "There was no indication of the limit – whether it would be five, six or seven times income – exemptions for new builds, although it has to be assumed there will be, or speed limits."

He says the release was to keep DTI restrictions in front of people to remind them the RBNZ was still looking at it and could introduce them. It won't be an issue for mortgage holders and new borrowers even if they are activated in March because risky lending has been reined in, he says. "The system is not that stretched."

Davidson says it is likely if DTIs are put in place they will not bind in this cycle.

"Recently interest rates have risen at such a rate so borrowers can't service as much mortgage debt and house prices have come down so they haven't had to borrow as much. That is why DTIs activated next year might not bind because things have tightened up."

He says introducing them is about keeping a lid on future property cycles, tying house prices to income, and trying to limit house price growth to 10 per cent or less year-on-year.

"While it will not restrict growth immediately it will in the long run. We won't see outright house price falls but they won't rise as quickly in future."

Davidson says it's anybody's guess when the nitty-gritty of DTIs is laid out by the RBNZ. "It could be in the bank's six-monthly Financial Stability Reports, usually released about May and November." ■

RULES BLAMED FOR HIGHER RENTS

Two out of five landlords are specifically looking to cover costs resulting from regulatory changes.

The Healthy Homes Standards and tenancy law changes have been blamed for higher average rents of more than $500 a week.

Of 700 landlords answering a recent Kantar survey commissioned by the Housing and Urban Development (HUD) Ministry, 47 per cent had raised rents by more than $20 a week to the end of November.

Of those landlords who had not raised rent in the past six months, 23 per cent were considering increasing rent in the next three months.

Key reasons for 41 per cent of landlords considering a rent increase include a desire to cover increased costs, for 51 per cent it is matching market rates, and for 57 per cent it was raising rents after a year of no increases.

Two out of five, or 39 per cent, are specifically looking to cover costs resulting from regulatory changes.

Just over four in 10 landlords, or 42 per cent, took the opportunity to increase the rent when their tenants changed. About six in 10, or 61 per cent, of these landlords increased rent by more than $20 a week.

However, the desire to maintain good landlord-tenant relationships and encourage tenants to stay means some landlords kept rent levels the same.

Of investors, 93 per cent of landlords invest in existing property, with 8 per cent investing in new builds and 2 per cent investing in build-to-rent property.

The low maintenance of new builds and build-to-rent properties are the biggest reasons for 69 per cent of investors buying new and 64 per cent of build-to-rent. They are also seen as cheaper or more convenient than alternatives.

Interest deductibility motivates 30 per cent of landlords to invest in new builds, while a shorter bright-line period motivates 22 per cent.

MANAGEMENT TREND

Three out of five, or 60 per cent of landlords personally manage their rental property/properties and just over two out of five, or 42 per cent, use a property management or real estate company.

Another 5 per cent use an individual property manager. Overall, the survey shows these results have remained fairly consistent over time.

Cost savings drive 65 per cent of landlords to self-manage, along with wanting to be more hands on (54 per cent like to talk directly with tenants; 50 per cent like to be hands on generally).

Of landlords using property managers 64 per cent use them for their regulatory/compliance expertise, 49 per cent to save time and 46 per cent to encourage a distant relationship with tenants. These reasons have remained mostly consistent with the previous three surveys.

QUIET MARKET

Fewer landlords have bought a rental property in the past six months, a drop of three points since May 2022, which is statistically significant at the 90 per cent confidence level.

Four per cent of landlords have sold a rental property in the months since the end of November, which is consistent with the previous three surveys.

Reasons for 46 per cent of sales relate to landlords needing to improve their own financial situation, 29 per cent changes to tenancy laws, and 25 per cent the gap between mortgage costs and rent.

About 22 per cent were considering selling their property in the next six months from the end of November last year. Regulatory changes continue to motivate some landlords to sell: 26 per cent because of the tenancy law changes and 20 per cent due to the new Healthy Homes Standards. ■

THE RIGHT RENOVATION BUDGET

Investment coach **Ilse Wolfe** offers advice on the perennial question 'How much is too much' to spend on renovating.

Most Cashflow Hacking investors will renovate on a substantially lower budget than the average Kiwi – and for good reason, Ilse Wolfe says.

This is because to get the best rent and value uplift returns, it's important to balance durability with cost. Wolfe's Cashflow Hacking List is a six-step approach to turbocharge any BRRRR project.

"We're not talking about Tesla chargers in the garage," Wolfe says. "Generally speaking, my investors complete a full renovation for $60,000 to $80,000, and they shouldn't expect any change from $50,000."

Here are some ballpark prices for each of Wolfe's principles to get you thinking.

EXTRA BEDROOM

The price of adding an internal bedroom can be as low as $8,000, depending on what kind of house you buy. "If you buy well, this should only take a couple of weeks."

But this is the best case scenario, and complexity increases the price from there. For instance, if you need structural wall changes. "Every time you add complexity, you increase potential for building consent."

More costly again, a garage-to-bedroom conversion is commonly $60,000 without a dollar spent on the rest of the house.

KITCHEN, BATHROOM

If you keep the layout the same – or very similar – you can get a brand-new kitchen or bathroom on a relatively small budget. "I still stand by a $6,000 kitchen," Wolfe says. "A lot of people look at me like I'm nuts, but it's been proven for years."

Although Wolfe says it's a good idea to assume up to $15,000 in your budget because there could be additional costs around plumbing, for example. "Our teams consistently complete full bathroom upgrades for around $10,000."

One way to keep costs down in both rooms is to do your own bathware shopping and hand items to your tradesmen to install.

PAINT REFRESH

A professional painter can cost between $6,000 to $20,000 and take up to three weeks to complete a job. Walls come in "ranks" of difficulty, and labour varies widely in price. Most of the time is spent on preparation, including plaster skimming, which can account for $2,000 to $4,000.

This is why it's a good idea to get multiple quotes and pick the most reasonable. Each painter will have their own approach to refreshing an existing property's interior.

NEW FLOORING

Flooring is priced per square metre. The larger your floor plan, the higher the cost. "On top of this, the cost of flooring has escalated," Wolfe says.

These days you're likely to be looking at $5,000 to $8,000 for a complete re-fit of carpet and vinyl. "One way to make flooring last longer is to add vinyl to high-traffic areas – like in hallways and living areas."

FITTINGS, FIXTURES

These small items (e.g. door knobs, switches, lights) are cheap and quickly add value. But labour costs can very quickly head into the thousands. For instance, new ceiling lights may cost $500 in total, but depending on the house size, it can take an electrician several days to install. At around $100 an hour, the price of labour can easily cost $1,000 to $3,000.

But Wolfe does have a few cost-cutting tips for those on a budget.

"For lighting, replace light fittings exactly where they are located," she says. "In terms of door knobs, or cabinet handles, keeping the same distance between the holes can save a lot in extra labour. One investor I worked with saved $1,500 on labour by screwing in the door hardware himself."

All things considered, $65,000 is expected for investors aiming for a full Cashflow Hack, including additional internal bedroom, for maximum value and rent gain. Remember, it's about improving rental properties through cost effectiveness and durability, not high-end luxuries. But it's necessary to have a 15 per cent contingency buffer, just in case. ■

Ilse Wolfe is Director of Opes Accelerate Coaching Program. To enquire about memberships and how you could accelerate your property investment pathway contact Ilse at accelerate@opespartners.co.nz.

For further information visit www.opespartners.co.nz/accelerate. Follow Ilse at @opesaccelerate and @opesaccelerate on Instagram.

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RENTALS AND TRUST DEED CHANGES

Expert advice is essential when dealing with deed changes because they need a diligent approach.

Q **I have a rental owned in a trust. The trust is quite old, and we have been advised by our solicitor to wind it up and disperse the assets. Selling is not practical due to falling house prices and I need the rental income in my financial circumstances. Can the trust deed be updated and is it expensive?**

A Unfortunately, without reading the trust deed I cannot provide a definitive answer. However, I have a few thoughts that hopefully are of use. First, whether or not you can update the trust deed depends on whether there is a clause in the deed that enables trustees to make changes. If such a clause exists, then you likely will be able to update it. On the other hand, if no such clause exists it is far more difficult to make changes. It may still be possible, as there are statutory provisions that allow for deeds to be varied, but this requires approval of all beneficiaries.

While this may suggest the best course of action is for you to wind up the trust and transfer the rental out, there may be downsides. For example, there can be tax consequences on transferring property, including resetting the bright-line period, which could be very undesirable if a sale arises in the short to medium term. Fortunately, there may be an ability to claim "rollover relief", which can save you from a negative impact of the bright-line rule. However, whether or not rollover relief is applicable to you is another issue I cannot resolve without more information. There may also be other consequences of winding up the trust and transferring the property out, such as depreciation recovery and increasing your personal asset base which might be detrimental in the context of eligibility for the residential care subsidy should you require rest home care in the future. As you will appreciate from the above, there are several issues that require careful attention and you should seek expert advice.

- *Matthew Gilligan*

Q **After the Auckland Anniversary Day floods, my three-level townhouse rental was damaged. The ground floor, including a garage, bedroom, en suite, and courtyard access, was flooded and needs remedial work that will take several months. As a retiree I cannot afford the rental property to remain vacant, so I am considering renting out only the top two levels. However, I am unsure about the process and increasing the rent once the remedial work is complete.**

A Before moving forward it's important to consider a few things. Firstly, make sure there is no damage to the upper levels of the property, as flooding can cause significant damage from capillary action. Any dampness, mould, or moisture on the upper levels could be a violation of Healthy Homes regulations. Secondly, you'll need to determine a suitable rent for the tenancy that excludes the ground floor, and consider a rent subsidy to compensate for the disruption caused by remedial work.

Additionally, decide on the rent once

MATTHEW GILLIGAN
Matthew Gilligan is a property investor, developer and tax adviser. He is managing director of chartered accounting firm Gilligan Rowe & Associates, where he heads the specialist property and asset planning divisions.

KRIS PEDERSEN
Kris Pedersen of Kris Pedersen Mortgages is a commentator on property and finance. His team sources top finance strategies. Phone 09 486 4719, www.krispedersenmortgages.co.nz

MARK WITHERS
Mark and his team specialise in advising on property-related transactions, valuation and restructure services, and tax planning. Withers Tsang phone 09 376 8860, www.wt.co.nz

RYAN WEIR
Ryan is managing director and franchisor of Propertyscouts NZ. He's deputy chairman of the RPMA and is passionate about the property management industry, particularly, raising industry standards.

SHANE CAMPBELL
A Partner in Wynn Williams' Dispute Resolution Team, Shane specialises in complex commercial disputes. He acts on property disputes, product liability, defective buildings and professional negligence - including claims for and against lawyers, architects, accountants, engineers, valuers and property managers.

Do you have a burning property investment question you need an answer for? Whether you are just starting out in property investment, or an experienced investor, email **expertadvice@propertyinvestor.co.nz** to have your questions answered.

the remedial work is complete and the property is fully restored. When advertising the property, make it clear the ground floor is initially excluded from the tenancy due to flood damage. Be sure to mention the starting rent, the indicative duration of the remedial work and the anticipated rent once the ground floor is included, so prospective tenants are aware of the situation. Prior to entering into a tenancy agreement it is advisable to discuss the entire situation with your tenants to prevent potential disputes. Take steps to ensure you don't interfere with the tenant's quiet enjoyment during remedial work. This includes minimising disruption caused by tradespeople, only carrying out work during reasonable hours, and keeping tenants informed of work.

Consider putting the ground floor on an electrical check meter or having some sockets metered, so you can reimburse the tenants for the electricity used by tradespeople. Finally, once the ground floor is restored and made available to tenants, you can increase the rent as it constitutes a material benefit, even if it's within 12 months of the tenancy starting. Section 28 of the RTA allows rent increases with tenant consent and this variation would need to be recorded in writing.

- *Ryan Weir*

Q **I am getting a replacement roof on my rental property (replacing like with like) so it should be a revenue expense. My question is: Where do I allocate the deposit paid in the 2023 tax year? The balance won't paid until the 2024 tax year.**

A Roofs are generally considered part of the building and as such a replacement will normally be maintenance provided the building was not acquired with the roof already at the end of its life. If it was these will be dilapidation repairs that will be capital expenditure. Rental accounts are generally prepared on a cash basis so if the new roof is revenue expenditure claim the costs in the tax years in which the expenditure falls.

- *Mark Withers*

Q **We are a growing family and want to upsize our housing. During Covid we thought about building on our subdividable section, for which we have resource consent but not titles.**

Building costs started increasing so we thought about selling both properties to upgrade to a four-bedroom house. We would sell the section first and then the house.

We have $280,000 fixed for another three years at 3.79 per cent that we would target holding on to during any house switch.

I understand nobody knows what house prices, interest rates will do, but would it be in our best interests to subdivide, keep the mortgage on our primary house, or sell both and hopefully make a step up in house size, particularly as house prices are falling?

A With you looking to upsize I presume this means you are looking to take on more debt at some stage. Make sure you can get the additional debt from your existing lender as you are relying on them to provide this funding if you want to retain the existing mortgage which has a good interest rate. Note, funding is a lot tougher with the bank assessment around loan affordability being tight on the back of interest rate increases. As to what you are best to do, my recommendation would be to get a firm idea on costs and then get a registered valuer through so you can get an idea of how the different options stack up.

From there you should be able to make a more educated decision on which option to pursue. Note that if you needed funding for the build or development and the lender requires a valuation these days you would be best to check if the lender needs you to order the valuation through one of the portals such as Valocity to ensure the valuation will be accepted.

- *Kris Pedersen* ■

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ECONOMY LEAVES THUMBPRINT ON MARKET

There's no denying the current economy is influencing activity, but **Sally Lindsay** discovers there are clear signs we are in the lower phase of the cycle.

The latest REINZ data show the median house price across the country dropped 12.9 per cent annually to $775,000 in March. At the end of March, the total number of properties for sale was 29,284, up 3,625 properties (+14.1 per cent) year-on-year. The total number of properties sold was 5,877, up from 4,113 in February (+42.9 per cent), and down 15 per cent year-on-year.

The House Price Index showed an annual decline of 13.1 per cent. REINZ chief executive Jen Baird says there is no denying the current economy is influencing market activity, but there are clear signs the market is in the lower phase of the cycle. "With nearly 6,000 properties sold, vendors who are motivated to sell are meeting the market with more realistic expectations on time frame and price. Those who need to sell are still selling."

> **'Vendors who are motivated to sell are meeting the market'**
>
> **JEN BAIRD**

DROP IN VALUES

Home values have made the biggest first-quarter fall in more than 15 years, the latest QV data show.

Since the beginning of last year average house values have dropped more than $250,000 in Auckland and Wellington.

In many areas across the North Island value declines are in six figures, signalling more to come.

The latest QV House Price Index for March shows property values have dropped by an average of 3.9 per cent since the start of the year, weakening further from the 2.7 per cent three-monthly decline in February, and the

Best of the main centres Christchurch sales were down 4.7 per cent.

1.7 per cent three-monthly decrease in January.

The average home value is now $907,737, which is 13.3 per cent less than the same time last year.

It is a significantly bigger first quarter decline than at the same time last year, when residential property values dropped by an average of 0.6 per cent throughout the first three months of 2022.

The latest QV figures show the rolling three-monthly rate of reduction increased last month in all bar two of the country's 16 largest urban areas, with the most significant quarterly home value reductions occurring on average in Whangarei, down -6.6 per cent and

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WHAT'S DRIVING HOUSE PRICES?

HOUSE PRICES: DOWN Nationwide March's median house price dropped 12.9 per cent annually to $775,000, REINZ data show. For New Zealand, excluding Auckland, median prices were down 9.7 per cent to $695,000. Sales counts eased across the country by 15 per cent annually. The number of residential property sales increased month-on-month by 42.9 per cent. Nationally, new listings dropped 17.7 per cent, from 11,224 listings in March last year to 9,242 listings in March this year.

OCR: UP The Reserve Bank's official cash rate sits at 5.25 per cent after an unexpected 50bps rise at the beginning of April, with the bank indicating more rises are to come, up to possibly 5.5 per cent.

INTEREST RATES: UP Westpac and ANZ have made changes to lending and deposit interest rates. ANZ's floating home loan rate will increase by 0.40 per cent and some fixed home loan rates will increase by between 0.14 per cent and 0.20 per cent. Westpac is cutting the interest rates on its three-year, four-year and five-year fixed-term home loans by up to 60bps. It is offering "special" rates for eligible customers across each of those terms at 5.99 per cent. Shorter term home loan fixed interest rates are increasing by 5bps to 30bps.

BUILDING CONSENTS: DOWN Building consents have plunged 29 per cent in the year to February, Stats NZ figures show. There were 2,972 new homes consented last month, the fifth month in a row the number of new homes consented has been below the same month of the previous year. On a yearly basis the number of new consents reached 48,257, down 3.3 per cent compared to the previous 12 months. It is the first time on an annual basis they have dropped since 2012.

MORTGAGE APPROVALS: UP Total monthly new mortgage commitments were $3.8 billion in February, up $1.1 billion (38.2 per cent) from January. There were 11,486 new mortgages loaned in February, up 32.1 per cent from 8,680 in January. The share to investors rebounded to 16.3 per cent from a record low of 15.4 per cent in January. Investors borrowed $626 million, down from $1.057 billion in February last year. First home buyers were lent $8165 million up from $640 million in January, and owner-occupiers borrowed $2.329 billion up from $1.667 billion in January.

RENTS: UP Stats NZ stock measure shows rents rose 0.4 per cent in March compared with February and were up 3.9 per cent for the year.

MIGRATION: UP New Zealand appears to be flinging the door wide open to immigration again. For the year ended February 152,000 people arrived, up 195 per cent, while 100,900 people left the country, up 41 per cent, meaning a net gain of 52,000 people, compared with a net loss of 19,000 at the same time last year, Stats NZ data show.

FINANCE & STRATEGY EXPERT
Ask Kris Pedersen any questions you may have relating to Mortgages, Property Finance and Strategy - 021 300 192 / kris@krispedersen.co.nz
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WHERE DEBT CAN BE AN ASSET

Rotorua, down -5.7 per cent. Of the largest cities, Auckland -5.2 per cent, Hamilton -5.2 per cent, and Wellington -4.8 per cent led the decline.

Christchurch -1.2 per cent and Hastings -2 per cent were the two exceptions, the former experiencing the smallest drop of the main centres.

QUIET MARKET

Interest rate hikes and tighter lending rules have triggered the biggest property sales collapse since 1981.

Figures from CoreLogic NZ show 60,859 properties were sold in the year to February 2023, the lowest 12-month total since October 1983.

For the month of February alone, about 4,100 deals were done. That is the lowest for that month of the year since at least 1981.

The data is part of CoreLogic's new Housing Chart Pack, which brings together housing market metrics every month.

CoreLogic NZ chief property economist, Kelvin Davidson, says the figures are striking and show just how quiet the market really is. "Few vendors are in a hurry to sell, given that unemployment remains low."

Other key highlights of the report include house sales in the 12 months to February 2023 are down a third (-32.7 per cent) on last year; 16 per cent more listings on the market than this time last year; property values were down 1 per cent in February, -1.5 per cent in the past three months, and -8.9 per cent over the year; Wellington is the weakest of the main centres, with values down 19.7 per cent from the peak, while Christchurch is only 4.7 per cent down since; cash multiple property owners (including investors) make up 15 per cent of purchases, a record share for this type of buyer.

EASIER FINANCE

Economist Tony Alexander and property management company Crockers' latest investor survey shows fixing mortgage rates at one year is the preferred option for those with debt.

> **'Fixing mortgage rates at one year is the preferred option for those with debt'**

Survey results show banks are seen as more willing to advance funds over the past two month; a relatively high 82 per cent of investors intend raising their rents over the coming 12 months, up from just 70 per cent in December; investors have become more concerned recently about rising insurance costs; concerns about reduced net migration are easing; and landlords report good tenants are increasingly easy to find.

Alexander and Crockers' survey shows that for the 21 per cent of investors thinking about buying a property in the coming year, 56 per cent will still buy an existing property, 28 per cent will buy a new property, and 16 per cent will undertake their own property development.

A major slowdown in the construction industry is fast approaching. Building consents have plunged 29 per cent in the year to February, Stats NZ figures show. There were 2,972 new homes consented in February, the fifth month in a row the number of new homes consented has been below the same month of the previous year.

"The drop in the number of homes consented last month is big when compared with February last year, which had the highest number of homes consented for any February month on record," says Michael Heslop, Stats NZ construction and property statistics manager.

On a yearly basis the number of new consents reached 48,257, down 3.3 per cent compared to the previous 12 months. It is the first time on an annual basis they have dropped since 2012.

In seasonally adjusted terms, the number of new homes consented in February fell 9 per cent compared with January.

There were 27,872 multi-unit homes (townhouses, apartments, retirement village units and flats) consented in the year ended last month, up 15 per cent compared with the previous year.

The number of stand-alone houses fell 20 per cent to 20,385 over the same period.

RENT NEWS

Rents in some areas across the country appear to be dropping, latest bond data shows.

This is bad news, particularly for the Auckland CBD market which is awash with apartment investors who are just starting to get on their feet again after international students fled when the pandemic hit. Those students have started trickling back into the market.

Many are from China after the Chinese Government told its students several weeks ago they could not get overseas qualifications online this year and had to study in the country where qualifications were offered.

Bond data from Tenancy Services shows median rent for a one-bedroom Auckland CBD apartment dropped $30 a week from $430 in January to $400 in February. For a two-bedroom apartment, the median rent also dropped $30 a week from $560 to $530.

The latest data shows the national median rent in February was $560 a week, down from $575 a week in January, but up $10 a week from February last year.

Most of the rent increases happened in the first half of last year and stabilised in the second half, but at the beginning of this year they started dropping in some places.

Rents in Northland, Auckland, Wellington region and Tasman have not altered in a year. At the other end, Gisborne and Taranaki had increases of more than 11 per cent. ■

HOPE ON THE HORIZON?

Lower than expected inflation may provide the impetus for lower interest rates in the longer term. **Ryan Smuts** explores this possibility, and the OCR increase.

The first quarter is well and truly over and we started off the second quarter with an increase to our OCR by 0.50 per cent on April 5.

At the time of writing not all banks have actually passed this on to clients, with only two banks having increased their floating rates and short-term fixed rates (six months-24 months), being Westpac and ANZ.

ANZ have decided to keep their long-term interest rates the same (3-5 year) while Westpac have actually decreased theirs to 5.99 per cent, for special rates.

When you have an inverted interest rate curve like this, it is usually due to the fact that there is a market expectation that we will see interest rates decrease in the mid-term.

SHOP AROUND

It can be tempting in situations like this, where the long-term interest rates are cheaper, to fix long-term. In many cases this may not actually be the best approach. Your interest rate strategy needs to be determined around what your goals actually are, more than how cheap a particular fixed term is.

While only two banks have increased their rates, it is possible that others will follow, so it makes sense to shop around and get on to reviewing your mortgage as soon as possible before we have any further increases.

Small differences in interest rates and loan structure can mean dramatic differences in actual interest costs paid. They can save you thousands of dollars over the life of your mortgage and cut off several years so that you pay it down a lot quicker than the standard 30-year term.

Discuss your situation with a mortgage adviser to determine what options are available and which may be most suitable for you.

OCR UPDATE

While the OCR may be at its peak (or if not, very near it, depending on which commentator you're listening to) we have a long way to go before we have inflation under control. Recently we have had the stats for the quarter to March 2023, which have come in at 6.7 per cent. This is lower than the forecasted 7.2 per cent by market pundits, and definitely a step in the right direction.

Reserve Bank New Zealand rhetoric indicates they are heavily focused on getting inflation back into their mandated 1-3 per cent range, and it's clear that this is their number one priority.

Given the changing interest rate environment, now is a good time to review your mortgages, hopefully the lower inflation means lower interest rates are on the horizon – however the OCR is unlikely to be reduced in the short-term, so it'll be interesting to see how this plays out. ■

MORTGAGE LENDER	FLOATING	6 MTH	1 YEAR	18 MTH	2 YEARS	3 YEARS	4 YEARS	5 YEARS	RC
ANZ	8.39	7.39	7.34	7.29	7.19	7.19	7.19	7.09	-
ANZ Special	-	6.79	6.74	6.69	6.59	6.59	-	-	-
ASB Bank	7.99	6.64	6.64	6.64	6.59	6.59	6.49	6.49	8.09
BNZ - Classic	-	6.54	6.54	6.49	6.45	6.59	6.59	6.59	-
BNZ - Std, FlyBuys	7.74	7.14	7.14	7.09	7.05	7.19	7.19	7.19	-
BNZ - TotalMoney	7.74	-	-	-	-	-	-	-	-
Co-operative Bank - Standard	8.15	6.85	6.85	6.85	6.85	6.99	7.09	7.09	7.75
HSBC Premier	7.94	6.44	6.44	6.59	6.69	6.79	7.29	7.39	-
HSBC Premier LVR > 80%	-	-	-	-	-	-	-	-	-
HSBC Special	-	-	-	-	-	-	-	-	-
Kiwibank	7.75	7.5	7.49	-	7.49	7.69	7.69	7.69	7.75
SBS Bank	7.99	7.09	7.09	7.14	7.09	7.09	7.15	7.19	-
SBS Bank Special	-	6.59	6.59	6.64	6.59	6.59	6.65	6.69	-
TSB Special	7.95	6.54	6.54	6.54	6.49	6.59	6.59	6.49	8.05
Westpac	7.99	7.49	7.39	7.29	7.19	6.59	6.59	6.59	-
Westpac Offset	7.99	-	-	-	-	-	-	-	-
Westpac Special	-	6.89	6.79	6.69	6.59	5.99	5.99	5.99	-
Median	**7.95**	**6.64**	**6.7**	**6.64**	**6.95**	**6.59**	**6.72**	**6.79**	**7.75**

The interest rates specified in this table were accurate on 14 April 2023. Interest rates are subject to change without notice. Different fees and charges apply to each loan depending on the mortgage lender. Seek expert advice to determine the mortgage lender that is right for you and your circumstances. A Disclosure Statement is available on request and free of charge. Data provided by tmmonline.nz

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BANKROLLING RELOCATABLE HOMES

Financing a relocatable house is a challenge, especially compared with buying an existing home or building the standard way, but it's not impossible, writes **Peter Norris**.

Relocatable houses have become increasingly popular amongst owner-occupiers and investors. In fact, on the day I wrote this article two clients randomly came to me and asked about financing relocatables. I figured that was a sign, so I kept writing.

The main reason for their growing popularity is largely because they are considered more affordable than building from scratch. With the surge in construction inflation and the overall cost of building over the last few years, clients have looked for alternatives.

However, financing these types of homes can be challenging for several reasons.

WHAT IS A RELOCATABLE?

If you've ever been driving at normal speed (within the limits, of course), only to come to a grinding halt because there's a truck carrying a house that's trying to get around a tight corner, then you know what a relocatable house is. The definition really is in the name. These are full houses that exist off-site and need to be transported on-site.

Historically, these would have been old houses that people removed to build new, so someone else would buy the house and put it on their land. One man's trash is another man's treasure ...

However, these days more companies are building new houses off-site and then transporting them to a section. This is proving to be a cost-effective way of getting a new house.

Once the house is on-site it is connected to the main services, renovated (if it's an old house) and prepped for its new owners.

PROJECT FINANCING

This is where the difficulty comes in. I can almost guarantee that if you ask a bank how to finance a relocatable home, they will say you can't. And in a lot of ways they'd be right. Financing a relocatable house is a challenge, especially compared with buying an existing home or building the standard way.

KENWORTH
SIZE

But it's not impossible. The trouble is a bank won't fund against the building until the house is on the new land and connected to services. This is because there is every chance the house will fall off the truck on the way, and the bank doesn't want to have lent on something that's now lying in the road broken.

It's also very difficult to get insurance cover.

So, what the bank will do is lend to you to buy the land. In most cases, they'll lend up to 80 per cent of the value of the land. So, if you buy the land for $500,000, they'll lend you $400,000.

Then, they will give you a pre-approval for up to 80 per cent of the property's value on completion. The reason for 80 per cent is that it is considered a new build and therefore exempt from LVR rules.

This value will be determined by a registered valuer going to your land and assessing what the value is now (with no house) and what it will be worth on completion (with a house). This pre-approval will be conditional on the house making it to the land and being connected to services. Once that's done and the house has CCC, the bank will release the funds.

The benefit of this could be that the value of the property on completion is a lot higher than the actual cost of the project, and therefore, in the end, you may not need to put a lot of money in. For example, let's say the land price is $500,000, and the cost to put a relocatable house on it is $200,000. That's a total cost of $700,000. But, on completion, the value may be $850,000, and you could get an approval for 80 per cent of that end value, which is $680,000.

PREFAB OPTION

If you're going through a new build company that builds off-site (often known as a prefab house), then chances are funding will be a lot easier. This is because that company will be used to the bank finance issues, and so have created payment terms which work for what the bank need. Often this will mean you pay a small deposit upfront and then nothing until the house is on-site and connected.

However, if you're transporting an old house to your land, you'll need to have the cash available to cover the cost of everything until it is connected to the site and the bank will lend. If the land is $500,000 and the cost of the relocatable is $200,000, then you'll need the 20 per cent deposit for the land plus the full cost of the house. So, a total of $300,000.

This is where it becomes harder for most people to make it work. Typically, this lending would be done through the main banks rather than going to alternative lenders. Most of the near banks won't do this type of lending, so you're either dealing with a main bank or a far more expensive non-bank. This does mean you'll need to fit bank criteria for servicing as well as having the funds.

In summary, while relocatable houses or prefabs are typically harder to fund, they most definitely aren't impossible. You just need to make sure you're talking to someone who knows the ins and outs. ■

Peter is director of Catalyst Financial. Catalyst specialises in mortgage, insurance and investment advice specifically for property investors.
To see how Catalyst can help you achieve your financial goals, check out www.catalystfinancial.co.nz or contact peter@catalystfinancial.co.nz

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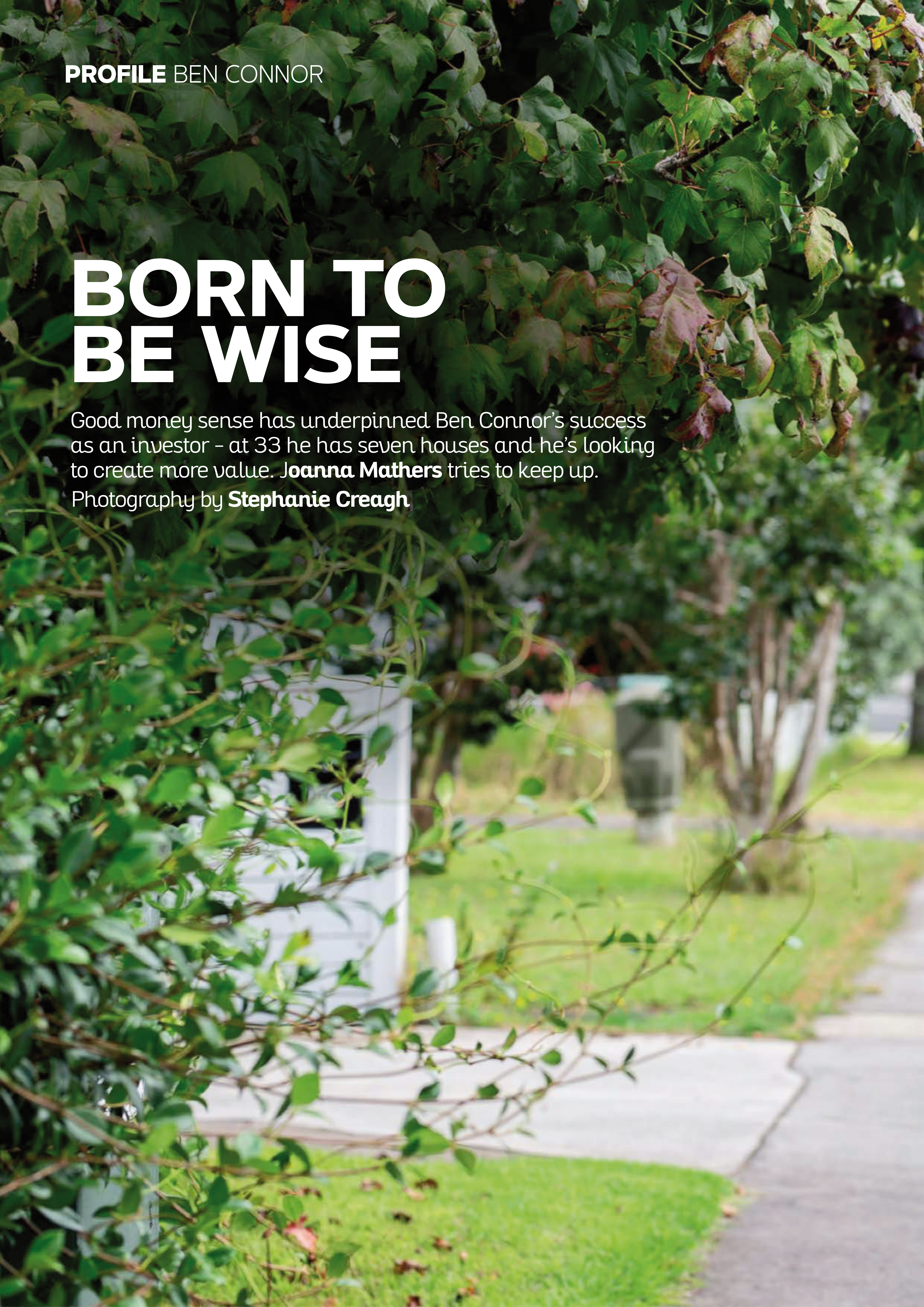

BORN TO BE WISE

Good money sense has underpinned Ben Connor's success as an investor – at 33 he has seven houses and he's looking to create more value. **Joanna Mathers** tries to keep up.

Photography by **Stephanie Creagh**

Redundancy presented Connor with the opportunity to open his boutique architecture business 4C Studio.

Some people are born to save. By the age of 18, Ben Connor had saved $10,000 by serving drinks at tennis tournaments and working in an ice-cream shop.

And it's this sense of money that underpins Connor's success as an investor – aged 33 he has seven houses over five properties and he's looking at ways to create more value in the property he already owns.

Although his family weren't property investors, from a young age he knew this was the direction he wanted to go in. "I had a friend whose dad was a real estate agent," he says. "I remember thinking at the time that property seemed like a good idea."

SAVING AND STUDYING

Connor grew up in Auckland (with a sojourn in Samoa with family) and studied architecture at Unitec. It was here he met his wife, Sekai. Even at university he and his (then) girlfriend saved: "Sekai and I saved $45,000 while we were studying."

After university he started working at architecture firms; by 2014 he had enough money to buy his first property, a 1000m^2 section with a single dwelling in Pukekohe. He knew it had potential.

"It was owner occupied when we bought it, so we had a property manager that found a tenant for it."

With four bedrooms, the house also had several large living spaces.

"I think we probably should have looked at what we could have done to the property to increase the rent," he says. "I could see there was potential to maybe convert the house into two dwellings."

It's currently renting for $590 a week; a similar property nearby recently sold for $1.35 million.

SECOND PURCHASE

After waiting a year to build up more equity in their existing property (and appear more appealing to banks) the Connors made their second purchase – a three-bedroom house on a large section in the Whangarei suburb of Onerahi. It was an ideal size for adding an extra dwelling; and at only $316,000 it was a great price.

Then, in 2018, with baby number one due, they discovered a property on a large section that looked ideal for a family home. "My parents had actually sold their place the year before, so we were able to subdivide the section and they bought the back garden and have a house on there," says Connor.

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Connor's knowledge of the entire design and build process gives him a head start when it comes to his own projects.

Purchased for $857,000, the front house is now valued at around $1 million and the back house recently sold for $1.35 million.

Things were ticking along nicely for the family. Connor had work in architecture firms and was honing his craft and gaining the professional experience needed to be registered as an architect. But, as with so many of us, 2020 and Covid-19 changed the direction of his life.

"The architecture firm that I had been working for made me redundant," he says. At this stage, no-one anticipated the surge in demand for property that would begin after the 2020 lockdowns, but Connor, with his experience of every aspect of the design and build process, would find himself ideally positioned to make the most of it.

OWN BUSINESS

He opened his own business, 4C Studio, in 2020. A boutique architecture studio, Connor works with homeowners and property investors to create new builds and spearhead renovations.

They work from consent to finish which also informs Connor's own property investments. And he's used this insider knowledge to add value to the property in Whangarei.

He project-managed and consented the addition of a relocatable home to the back of the section, which took four months. The home was purchased for $95,000 (including transportation) and the full cost of the project (including consent, re-piling and ground work) was in the region of $230,000.

There was another change to the property. By splitting the second lounge in the existing front house, they have been able to create a place with five bedrooms. This has amped up the rent from $485 a week to $650, and the relocatable home now brings in $530 a week. "It's worked out really well and the property is cash flow positive."

And they've recently added another Whangarei property to the portfolio; also in Onerahi, this has two dwellings, and was purchased this year for $750,000. The properties were already tenanted, and they use a local property manager to oversee the day-to-day running of the two homes.

ADDING VALUE

Connor's strategy has always been to purchase places in which he could add value and hold. He says at this point they are looking at ways in which to pump up the value of their existing

NIKE

Connor's investment philosophy has always been to add value and hold.

properties: serviceability is quite tricky right now.

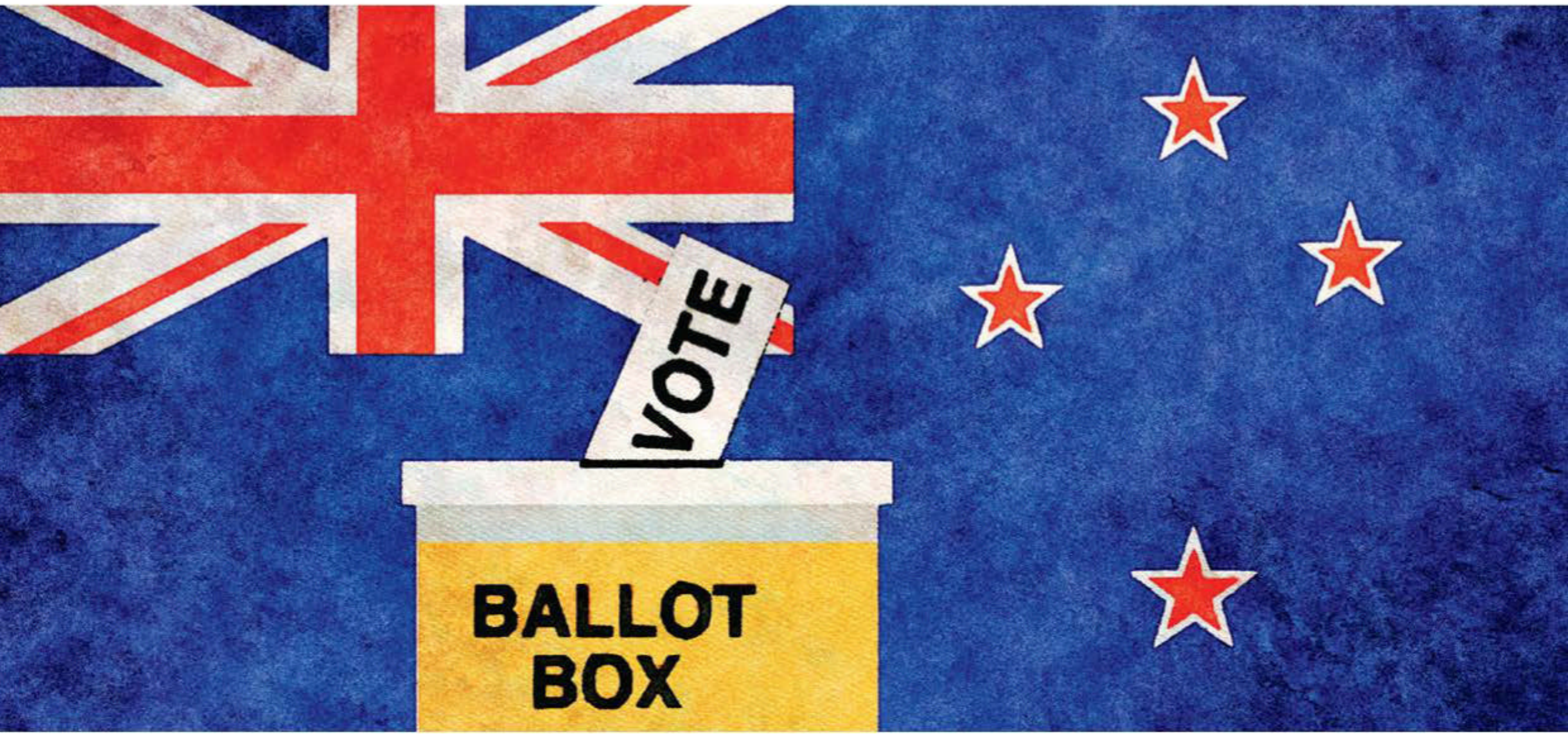
"The property that we just purchased could be subdivided," he says. "It is going through a surveying process and is with the council."

The thinking that has underpinned his decisions is whether the property has potential. In his professional capacity he does the same thing; he's worked with investors and property coaches to pump up the value of their properties.

"I'm always trying to get people better cash flow, even if it's just adding a vanity or a shower," he says. "I found that in October last year people stopped doing developments, because of serviceability, so I have been focusing on smaller jobs for people."

Connor says that unlike (most) other investors he doesn't focus on the market. "I don't really think about it too much. When the interest rates get higher, we will be ready."

And he believes that now is the ideal time to add value. "It's a good time to renovate while others wait." ■



SORTING THE WHEAT FROM THE CHAFF

It's been a rough ride for property investors under Labour but, as the election looms, what can we expect? Property investment and tax expert, **Matthew Gilligan** of Gilligan Rowe & Associates, takes a look.

Many of our clients are asking what's on offer from the various parties for the 2023 election, so I thought it would be useful to recap the tax changes made by Labour in their past two terms, and then canvass the offerings from political parties to reverse their changes.

As a disclaimer, I'm not a fan of this government's tax policy on residential landlords (being a landlord myself), so if you are left-leaning investor you might be better to move on to the next article.

When Labour astonished investors with bombshell tax changes in early 2021, I said I would remind our clients and readers of the "about face" the government did on tax policy in the run-up to the 2023 election. Let's not forget Grant Robertson swore black and blue the only tax change would be an increase in the top marginal rate to 39 per cent.

He said "no new taxes" but liberally interpreted that to mean he could make huge changes to existing taxes without campaigning on them transparently. He also very clearly said he would not extend the bright-line period, then he doubled it to 10 years.

'SET IN STONE'

The most astonishing thing to me about the bright-line extension and interest non-deduction rule changes was the robust promise "set in stone" from Grant Robertson in late 2020. You may recall the quite pointed Heather du Plessis-Allan interview, where she asked Robertson three times to guarantee no tax changes other than increasing the marginal tax rate to 39 per cent. Each time she asked he said "no"; he was emphatic there would be no other tax changes and he certainly would not extend the bright-line period. He made the same promise throughout the 2020 election.

I actually took him at his word; it never occurred to me he would back flip and make radical tax changes. More fool me (and others who take this politician at his word). Within 100 working days of taking office, Robertson implemented arguably the most far-reaching changes affecting residential property taxes in the history of New Zealand. In fact, Labour introduced the most radical new tax policy I've seen in my career as a chartered accountant.

TAX RECAP

You will recall that in addition to Robertson demonising property investors with labels such as "tax evaders" and "speculators", Labour set about changing tax policy to specifically target residential property investors who are, of course, predominantly ordinary "mum and dad" investors. These changes have included:

1. **Loss ring-fencing rules:** introduced with effect from April 1, 2019 for the 2020 financial year (during Labour's first term), preventing the offsetting of tax losses from residential property investment with other sources of income. Where previously (for over 100 years) a rental loss would be allowed to be offset with other business or PAYE income, and a tax refund from rental losses could occur, Labour caused such residential property losses to be quarantined and carried forward (ie no more tax refunds from property losses offset). That was the end of negative gearing.

2. **Bright-line rules:** Labour extended bright-line from two to five years during their first term, and later to 10 years in their second term. A 10-year bright-line period is best described as a "capital gains tax in drag" or a rifle tax on residential property investors' capital gains. Labour's latest 10-year rules exempt new builds (which remain subject to a five-year bright-line rule), and apply to properties acquired on or after March 27, 2021.
3. **Interest non-deduction rules:** denying the ability to deduct the largest cost of property ownership as an expense, being the cost of funding. These rules apply from October 2021 and are phased in over four years for property acquired before March 27, 2021. They apply in full for property acquired after this date. The rules exempt new builds for a period of 20 years from such effect, as well as residential properties leased to social housing organisations.

A few thoughts on these rules:

- Every other business of any nature in NZ (including commercial property investors) still get to claim interest as a tax deduction. However, residential property investors now pay tax on the net yield (rent less operating expenses) rather than the net cash flow (rent less operating expenses less interest). This effectively means residential property investors pay tax on the interest they would otherwise get to deduct.

Consider the residential example in the table below. If a residential property investor has $50,000 of interest cost and has negative cash flow of ($15,000), they now get an $11,500 tax bill to pay. How is hitting someone with $15,000 of negative cash flow with a tax bill of $11,500 fair and equitable?

Remember, the investor also pays tax on the capital gain on the property if they sell within 10 years. And don't forget new houses with code compliance certificates issued on or after March 27, 2021 don't have to pay this tax (as new builds are exempt).

This is distortionary and crippling to smaller residential landlords who own second-hand houses, most of whom are small-scale landlords.

- When I say small-scale landlords, according to February 2021 stats from MBIE, 80 per cent of landlords own just one rental property, and 96 per cent own four or less. In other words, nearly six out of seven properties are provided by private landlords and NGOs. This begs the question: who is going to provide the houses if landlords give up? These small-scale landlords are the backbone of nearly 80% of the rental housing market in New Zealand, and they are terribly affected by the interest non-deduction rules. They particularly suffer as interest rates rise, resulting in negative cash flow that is non-deductible. Then they get a massive tax bill; it doesn't make sense. Nor does it make sense that they cannot get a tax deduction on negative cash flow, due to the effect of loss ring-fencing.
- The unanticipated consequences of this policy are distortionary. Investors start dumping second-hand houses to buy new ones, or building new houses, or preferring social housing due to the tax break. People are literally thrown out of their long-term tenancies because of tax changes or they lose their house to a community housing provider (CHP) tenant because the landlord gets to deduct interest if they lease their property to a CHP.
- There is no symmetry in the treatment of interest deductibility with other asset classes, including commercial property. Good tax policy is typically neutral in the way it applies to all asset classes and entities. But this government doesn't like residential landlords one bit, so they ignore this and distort the property economy with rifle taxes.

CAPITAL GAINS TAX

I'm speculating here, but Labour has been clear in their messaging that while they want to see a wealth tax or full blown capital gains tax introduced, Jacinda Ardern said it would not happen "while she was prime minister". Well folks, she is no longer PM, and if Labour gets a third term I would bet my last dollar on a wealth tax emerging. But just as interest non-deduction rules and bright-line rules are back-door capital gains taxes with different labels, I'm sure they will have a different label for a new wealth tax.

We have also heard through the traps that Labour is contemplating increasing marginal tax rates on high income earners. Mike Hosking, among others, was talking about it on radio. It's all rumours and could be false, but I encourage you to think ahead about how this country is going to pay for the costs that have been racked up in the last six years, and who will pay for the increasing public expenditure from a well-meaning but very fiscally loose Labour-led government.

TAX ON RESIDENTIAL PROPERTY INVESTMENT BEFORE AND AFTER LABOUR'S TAX CHANGES

	AFTER TAX CHANGES (TAXED ON NET YIELD)	TAX RATE	BEFORE TAX CHANGES (TAXED ON NET CASH FLOW)	CHANGE
Rent	55,000		55,000	Same
OPEX	20,000		20,000	Same
Net yield	35,000		35,000	Same
Interest (non deductible)	50,000		50,000	Same
Net cash flow (deficit)	($15,000)		($15,000)	Same
Tax	11,550	33%	($4,950)	16,500
Refund or tax to pay?	*Tax Payable*		*Tax Refund*	*Tax and Cash Flow Variance*
Net net cash flow (deficit)	($26,550)		($10,050)	$16,500

PARTIES' POSITIONS

On the right is a quick precis of the current stated position from the left and right-leaning political parties. I asked New Zealand First for their policy, but they had not responded at time of writing.

I'll keep you updated if these policy positions change later this year.

ACT seem to be the most friendly to property investors' tax plight; they get a B+.

PROPERTY INVESTORS TAX SCORE OF PARTY TAX POLICY - BY GRA AS AT MARCH 2023

ISSUE	LABOUR	GREENS	NATIONAL	ACT
Interest non deduction rules	No change	No change	Will repeal	Will repeal
Score	-10	-10	+10	+10
Loss ring-fencing	No change	No change	May repeal, but currently no change	Say they will repeal if they can fit it in their budget
Score	-10	-10	0	5
Bright-line	No change	No change	Set at 2 years	Abolish
Score	-10	-10	+7	+7
Comment			*See note below	*See note below
Capital gains tax / wealth tax	Gagging for it but know it's political suicide	Actively promoting wealth tax	Opposed	Opposed
Score	-10	-10	+10	+10
GRA Residential Property Investor Tax Policy Score (out of 40)	**-40**	**-40**	**+27**	**+32**
Grade	**F-**	**F-**	**C+**	**B+**

- **Note on bright-line period:**
  - Bright-line rules mean the sale of a residential dwelling (other than your family home) is taxable within the stipulated timeline.
  - National are saying two years, ACT want it repealed and gone.
  - Personally I think five years was balanced. It caught up with speculators pretending to be investors (changing their mind a lot to get a tax advantage), but didn't catch most people legitimately changing direction over the longer term.
  - IRD have a very hard time proving 'taxable intention', meaning without bright-line rules, investors are encouraged to take risk, and IRD end up with a lot more work.
  - Five years was a good balance, and particularly caught the plethora of foreign investors we see out there that seemed to change their minds two years after they bought their properties. A five-year timeline weeds out these sorts of people and makes it a lot easier for IRD. A five-year bright-line rule would serve the public and private interest best, in my view.

ROUGH RIDE

It has been a rough ride for property investors under Labour. This government is attacking middle NZ with their property tax reforms as it's ordinary people being hit, not a tax-cheating landed gentry of wealthy property oligarchs (as the government rhetoric in 2021 implied).

Let us not forget the difficult to navigate residential tenancy rules rammed through this term, and the tinkering with LVRs and finance rules under the CCCFA shambles. It will be interesting to see if property tax becomes a significant election issue in the mainstream media for the 2023 election. I doubt it because there is no sympathy for property investors in the public eye. For residential property investors with debt, we know the interest non-deduction rules are a hot election issue. That's 50,000-plus annoyed residential investors affected, all of voting age.

It remains to be seen whether Labour talk transparently about tax changes, and especially about wealth taxes. Meanwhile, I am pressing ACT and National for their policy to improve on the loss ring-fencing changes that occurred. Their position on interest non-deduction rules is excellent; these need to be reversed along with the other changes. I will keep you informed as information comes to hand; David Seymour appears sympathetic to the property investors' plight, and very responsive to policy queries.

I encourage you to talk to your local National MP about the issue – it's worth impressing on our political contacts the importance to our part of the community of these tax changes being reversed.

MORE FROM GRA

For those of you interested in tax and legal structures, check out our blogs at www.gra.co.nz/#gra-blogs. I note we held a particularly popular webinar on Tax and Trust Structures that is trending, which you can watch at https://www.gra.co.nz/seminar-recordings/trusts-and-tax-webinar. For year end tax prepping and latest tax changes, you might like to have a look at https://www.gra.co.nz/seminar-recordings/year-end-prepping-update-webinar, presented by GRA partners John Rowe and Anthony Lipscombe.

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CATCHING HOMES ON THE HOP

Relocatable and transportable homes have become a top choice for investors diversifying their approach to rental property and investment, as **Sally Lindsay** discovers.

Relocatable homes are a stylish and effective way in which to inject extra value into existing properties.

Relocatable and transportable homes offer convenience, affordability and sustainability, say companies involved in the sector.

In contrast, building a new home on-site involves planning and design costs, challenges in finding a builder and materials as well as dealing with council delays and inflation.

Operators in the sector say the process of finding a relocatable house is quite simple. It involves finding, or already having suitable land, examining the local council's regulations, obtaining the necessary permits and approvals and having enough funds to see the process through.

Forde Brothers House Removals works all over the North Island and director Mike Forde says every council allows relocatable homes that fit in with their regulatory requirements. However, some private developments can have covenants blocking relocatable houses.

He says it is important to consider the layout of the house as well and the aspect of the rooms once it is relocated to maximise light, sun and views, which can lead to changes being made on the building consent application. A council will usually also require geo-technical, storm water and sewerage reports.

Surprisingly, 99 per cent of Forde's relocatable homes are sold to Chinese investors.

"Most home-grown Kiwi property investors will not look at a relocatable home – moving a house to the back of a section and making room for another one, two or three relocatable homes as rentals," he says. "We have found Chinese property investors have the land and finance, get on with it and improve the value of their property in a short time."

Forde Brothers provides a complete service, including a feasibility study of the site, design, consenting, project management and delivery of the houses.

"I can have days of discussions with Kiwi investors and they generally cannot get their heads around it."

FORDE BROTHERS

He says many look at possibly putting new builds on their land, but find the figures do not stack up economically. "While it is possible for some investors to put five, six, seven houses on one site, they soon realise the price is prohibitive."

Forde says putting on two or more relocatable houses as rentals is a lot cheaper and immediately increases the property's value. "We show a lot of houses to potential buyers, but Kiwis are slow on the uptake."

To give a rough idea, he says an average relocatable house ranges in price from $200,000-$220,000 ready to go, while a new build can be anywhere from $700,000 to $900,000.

On average it takes three months for a chosen relocatable house to be installed on its new site and be ready to be lived in or rented.

Forde says it is important investors and homeowners put together a sensible plan, calculate all costs involved, and confirm they will be able to come up with the funds to finish the project.

> **'A great advantage of relocatable homes is that they are classed as a new-build'**
>
> **RICHARD HUTCHINSON**

FOLLOWING THE STEPS

Chrissey and Richard Hutchinson, who co-founded The Relocatable Home Company, based in Mt Maunganui, say anyone undertaking a successful relocation project usually follows a series of steps. These include carefully checking project and budget feasibility, land and finance requirements, design and consents for the site, the house itself, and any necessary alterations.

The company caters for clients all over the North Island, including savvy investors, and adds houses to sites with existing properties as well as vacant sections.

"With the introduction of the bright-line property rule we have noticed a shift in the investor profile. Whereas once we had investors who were short-term 'flipping', now investors are buying to hold for five years," Richard Hutchinson says.

"A great advantage of relocatable homes is that they are classed as a new-build for tax purposes, which means that they're only subject to the five-year bright-line test, instead of 10 years, and can still claim mortgage interest payments as an expense for their tax."

In addition to investors, The Relocatable Home Company has a strong client base of regular house buyers, who have usually bought and sold houses before. They are typically aged 45-plus and looking to increase their equity in a cost-effective way. They also want to create a cash flow positive rental return to meet their lifestyle requirements in retirement.

The most popular and cost-effective houses for investors are three-bedroom 8m by 14m timber houses, tidy inside and out, requiring little renovation and can be delivered in one move. Larger

LEFT Transportable homes are cheaper than a new build. ABOVE AND RIGHT 8m by 14m homes are delivered in one piece.

THE RELOCATABLE HOME COMPANY

houses may have to be split into two or three moves, which can increase costs.

A ballpark figure for a standard house is about $250,000-$350,000 for relocation to a simple site, says Richardson. The cost includes house purchase, transport and relocation, building consent and connection to services. There can be a lot of variables to the cost, such as the age, style and condition of the house as well as complexity/ease of access to the section.

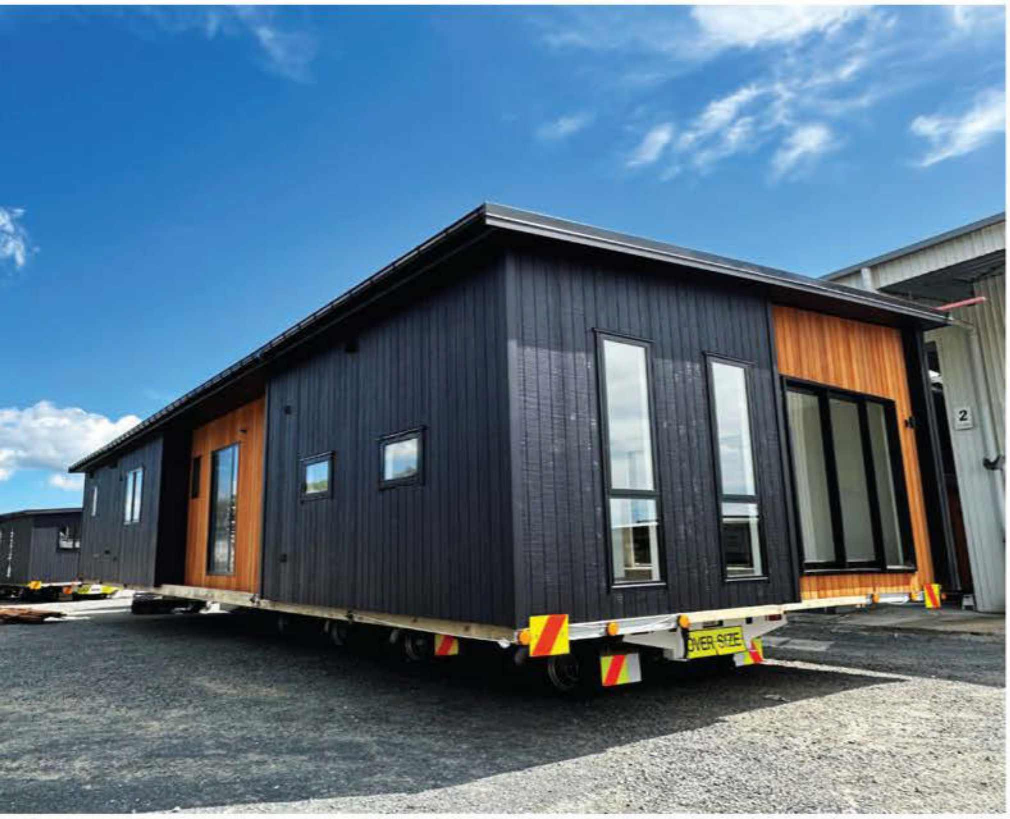
Typically, the company recommends allowing four to six months for the full project, based on a straightforward relocation.

OTHER OPTIONS

Transportable new homes are another option for investors. They are compact but not cramped and have ample space for at least two bedrooms, a proper toilet and bath, a functional kitchen, cosy living room, and often decks extend the living space.

They are not, despite a common misconception, moveable homes or those on a trailer.

As well as selling and transporting relocatable homes Forde Brothers also delivers newly-built houses by Drury-based Transbuild.



The new home company prefabricates houses that are fully completed at its factory before delivery and connection to onsite utilities and services. The houses, generally between 100-150m^2 with two bathrooms and three to four bedrooms, leave the factory with a code of compliance certificate.

This suits investors. Many are looking to put a minor dwelling for rent on an existing site, says managing director Sam Paterson.

"Prefabrication has the opportunity to revolutionise the housing and rental market. As a construction method prefabrication has been globally proven and adopted for years."

He says Transbuild's controlled environment includes factory construction but also allows for client process and fitout decisions, enabling certainty over costs and time schedules. "Couple this with the ability to complete site works concurrently while the build is completed in the factory, there are significant time savings."

TRANSBUILD

LEFT Transbuild homes leave the factory with a CCC.
ABOVE AND RIGHT Transportables offer lower build costs and quicker completion times.

LOWER COSTS

Transportable new homes have the advantage of lower build costs compared with on-site projects and faster completion times due to simpler logistics, says Sam Dyson, EcoPod business manager.

Auckland Greenhithe-based EcoPod specialises in minor dwellings built at its own factory.

It specialises in building to high wind zones and sea spray zones within 500 metres of the coast. There are two extremities EcoPod also caters for – extremely high wind zones where specific roofing is designed, and extra bracing is added, and dwellings sitting 100 metres from the coast.

EcoPod's main clientele are investors, says Dyson. "Mums and dads who have the finance and land for a minor dwelling for elderly parents, a rental, or a bach they can rent out when they are not using it."

Pods start at 20m^2 going up to 110m^2 for single-level buildings. The company has done the occasional two-bedroom house and it has concept designs for three and four-bedroom transportable houses, but none have been completed.

Dyson says in Auckland it is possible to build a 30m^2 minor dwelling without resource consent as long as it doesn't contain plumbing, meaning no bathroom or kitchen, which is a major constraint. "Basically, it's a sleep-out or cabin."

ECOPOD

Another limitation is the cabins need to be their height away from boundaries and buildings. “These rules place a huge restriction on most suburban sections,” he says.

Transportable pods have been delivered to EcoPod clients from Waikato to Whangarei and each council in those areas has differing regulations around minor dwelling sizes. In Auckland a minor dwelling is classified as 65m^2, Waikato 60m^2 and is now considering 120m^2, Whangarei 90m^2 and is now considering 120m^2.

Dyson says the logistics of building mean the smaller the pod the higher the construction costs, but on average a 50-60m^2 dwelling costs $4,500m^2 and that includes consents, foundations, services connections and the dwelling. For just the pod it costs about $3,500m^2 to build.

“It compares well with traditionally built architecturally designed houses that can cost up to $10,000m^2,” he says.

EcoPod built and delivered 30 minor dwellings last year. “People like the simplicity of the process,” says Dyson. “We do the designs in-house, take care of the consenting and build off-site. We can deliver a lot faster than a traditional builder, having a consented pod completed in five weeks and delivered to site in 12 weeks.”

ECOPOD

SMITH
OVER
SIZE

ABOVE Most banks have specific mortgage products for new prefab homes.
LEFT EcoPod built and delivered 30 minor dwellings last year.

TAX BREAKS

While increasing property value, relocatable and transportable houses can be classed as new builds.

The Inland Revenue Department says relocating a property and obtaining a fresh code compliance certificate (CCC), will be considered a new build and will be exempt from certain taxes.

Even if a house is picked up from down the street, moved on to another section and connected to services, it will be considered a new build for tax purposes.

Additionally, even if an existing house is simply nudged to a different part of a section making room for a new minor dwelling and both obtain a new CCC, they will be considered new builds and receive tax incentives.

Obtaining finance is a major hurdle difficult to overcome for first home buyers. It's almost impossible for them to get a mortgage on a relocatable house if not consented to the site and without an initial deposit of at least 20 per cent.

Banks don't consider a relocatable home suitable security for a loan until it's on the ground, on piles, fixed to the ground.

It's not so difficult for investors because they've already got equity in their existing property.

For new prefabricated homes most banks have a transportable building mortgage product specifically tailored for buildings constructed in a factory environment off site and then delivered on site. ■

CASE STUDY

Property investors Doug and Sue saw an opportunity to source a quality relocatable family home for the back of their 607m^2 section, which had a house at the front.

Their objective was to increase their equity in a cost-effective way and receive a cash flow positive rental return for their future lifestyle needs.

They sourced a three-bedroom listing with The Relocatable Home Company.

Given Doug's engineering background and attention to detail, he sought plenty of information up-front about the process of house relocation.

A site audit report was completed to ensure an optimised fit of the house onto their property. Doug and Sue were able to provide a survey and site plan to assist with this report.

The company's house plus relocation package included filing the necessary council consents and reports for swift council sign-off, co-ordinating removal of the asbestos internal ceilings before the house relocation, co-ordinating painting the exterior of the house and providing the contact for a builder post-house relocation.

The total costs relating to the project remained under $250,000. These included:

- purchase of the house and house shift, including project management of the shift
- council consents and subdivision costs
- asbestos removal
- connections to essential services – ie water, sewerage, electricity, broadband
- additional foundation and tie-down requirements
- upgrading of electrical, plumbing and insulation for tenant readiness
- repairs and renovations on the new site – eg paths, driveway, landscaping, fences, painting.

ROOM FOR THE CAR AND THE TENANTS

Most renters have at least one car and they are mindful of where it will be parked when selecting a property, writes **Caleb Pearson**, of Pearson + Projects.

When it comes to your tenants' belongings there is a high probability the most valuable possession they own is their vehicle. As a landlord we place much value on ensuring the property they occupy is up to a high, healthy and maintained standard, and rightly so.

Outside what is under your ownership, it is prudent to consider whether you can cater and provide options for your tenants' belongings, the items they place value on, and where and how they are located and protected on your property.

I discussed storage solutions in a previous issue, but want to specifically focus on vehicle parking. For most tenants it would be a safe bet they have a car (or multiple cars), and that they are mindful of where these will be parked when selecting a rental.

CLEAR CONSTRAINTS

While parking restrictions are common, especially in urban centres with the recent growth in townhouses and a push to using public transport, most properties still offer some form of

ABOVE You might have an obvious space available for a garage build.
BELOW A big concern for tenants is having somewhere safe for their vehicle.

2A

There are many options available to create additional parking for your tenants. And the upgrade will make your property stand out from the crowd.

off-street parking. Not all properties can accommodate this, with clear constraints on what land is available to provide for cars, whether this is due to site size, access, topography or site features.

But many properties have land around them where additional parking could be added. Some of these are straight forward while others may require creativity.

ASSESS YOUR SITE

One of the first steps would be to assess your typical tenants and your site to see if you think additional off-street parking is needed and possible. Ask yourself:

- How much parking does your property currently provide?
- Do your current (and previous) tenants park off-street, and how many vehicles do they have?
- Are there any obvious options available to create additional parking space?
- Would the addition of a car park add to the property? Not only is there a cost, but you may need to weigh up losing a garden or lawn area to achieve this.

You may already have sufficient parking, and ultimately you can't control how your tenants use these spaces. I've seen many garages get used for storage, or a kids play area, with cars being parked on the street.

If you think your parking is inadequate and a parking space is worth it and the site can accommodate it, look at what options are available that would suit your property and budget. These can range in cost and complexity, with the key options outlined below.

OPTIONS LIST

- **Upgrade lawn.** Add Gobi Block pavers, or cellular grid, where you want to add parking, topsoil and seed. These pavers/grids allow grass to grow through, but provide strength and durability for parking.
- **Aggregate ground cover upgrade.** Create a parking space from aggregates; gravel, pebbles, coloured rocks, etc. Avoids hardness of concrete, is easier to achieve and can provide a design element with the aggregate selection.
- **Concrete pad.** Add parking through boxing, prep and pouring concrete. This most common ground cover for parking creates a more dedicated and permanent parking space.
- **Carport.** This may be an upgrade of existing car-parking space or addition to new space. Check local planning rules, as carports can be constructed without consent if they meet certain requirements.
- **Garage.** The most costly and expensive option for parking. Not only cost, but time frame, as design and consent will be needed.

TOP TIPS

During the planning and construction phase, keep in mind the following tips and considerations when you are adding parking spaces:

- **Size.** Car parks are typically at least 2.4m wide and 5-5.4m long.
- **Turning space.** Around the parking area, you will need to allow space for your vehicle to manoeuvre into the car park.
- **Adjacent to driveway.** Place new parking adjacent to a driveway or existing car parking if possible to minimise total work needed.
- **Preparation.** Car park spaces need to support the weight of a vehicle, so proper preparation for your base is recommended. This will ensure it does not sink over time.
- **Ground drainage.** If you add an impervious surface, such as concrete, the water that was being absorbed into the ground will now flow somewhere. Connect into existing drainage where possible, or make sure it flows to an area which can deal with it.
- **Consenting requirements.** Check local planning and consent requirements, in particular if constructing a structure.
- **Get advice.** If you're unsure, seek some advice.

ADDING VALUE

When it comes to rentals, there's no doubt that your tenants' belongings are important. One of the biggest concerns for many renters is finding a safe and convenient place to park their vehicle.

Offering your tenants a designated spot to park their car definitely adds value and desirability to a tenancy, making your property a more attractive option for renters. So, take a look at your site and see if there are options available to add some parking. Your tenants will thank you. ■

-top tip-
Planning to use dark colours on fences, walls and landscaping? Keep them cooler with Resene CoolColour paints and wood stains.
Available from Resene ColorShops
resene.co.nz/colorshops
Resene CoolColour Porter
Resene
the paint the professionals use
your paint and colour experts!

WHEN THE GOING GETS TOUGH

When everything went wrong with his first renovation, Tushar Sharma dug deep ... and it paid off in spades, writes **Joanna Mathers**.

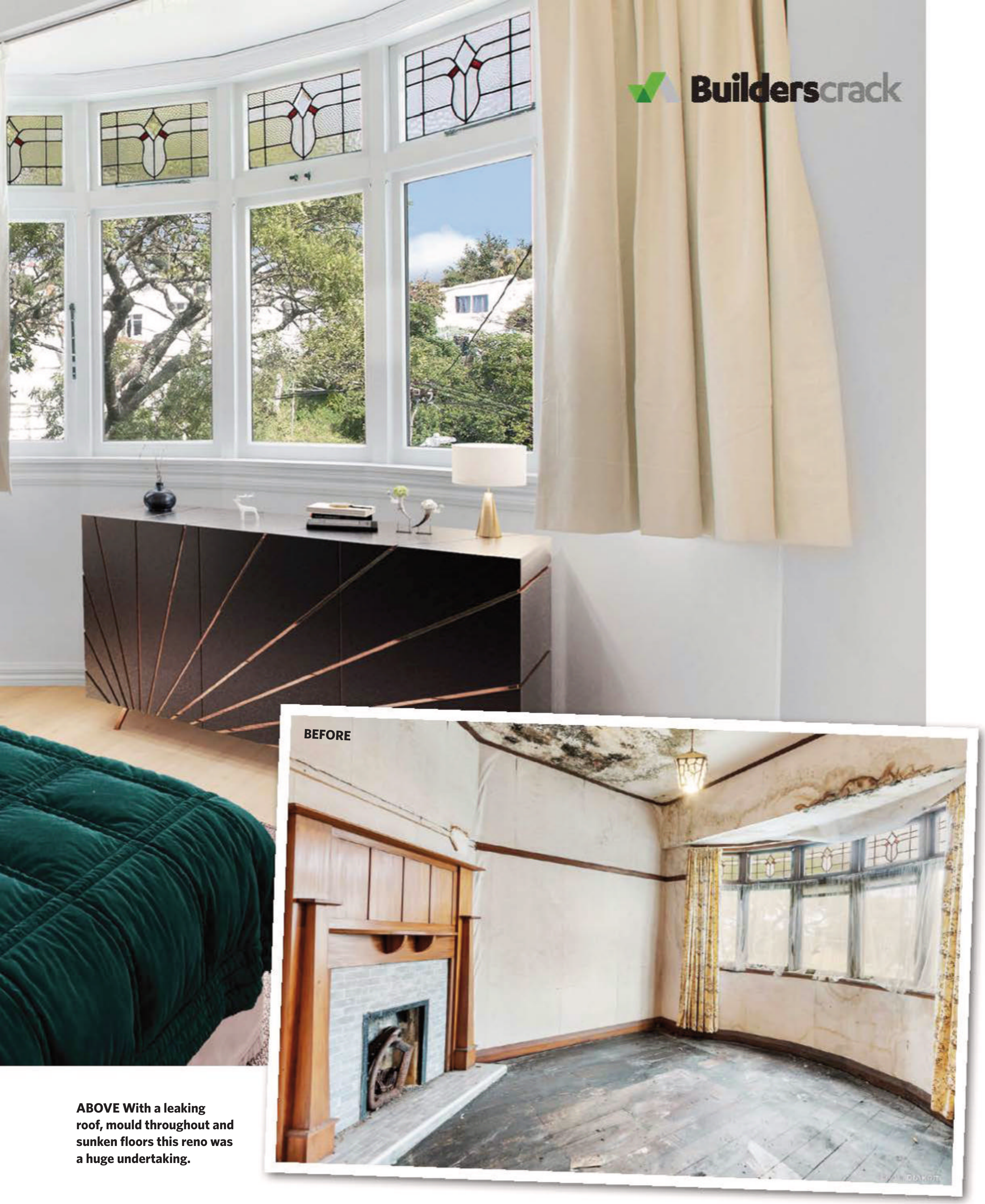
Some projects are beset with woes from the outset; this was certainly the case for Tushar Sharma's Wellington renovation. But through the process, Sharma has learned many lessons and created a six-figure value boost in the process.

Sharma is a relatively new investor. He had success with new builds, but was incredibly keen to "get his hands dirty" and add value with a renovation or development project. Working full-time as a financial analyst, he had the resources for a large loan, and his mortgage broker confirmed he would have no trouble when it came to mortgage applications.

So, when Sharma found "an absolute dunger" listed on Trade Me in the suburb of Brooklyn, he saw his opportunity to add value. The 1910's home with three bedrooms was in a terrible state: the roof was leaking everywhere; there was mould throughout; and the floors had sunk.

"I got scared when I went to view it for the first time," laughs Sharma. "I felt sorry for the guy living there; he was 95. The bathroom was like a horror movie set."

A search online revealed the section alone was valued at $980,000, so the house itself could be demolished if needed. But there were other would-be renovators sniffing around, so he had to move fast. He asked the mortgage broker (again) if he was sure he could get finance.



ABOVE With a leaking roof, mould throughout and sunken floors this reno was a huge undertaking.

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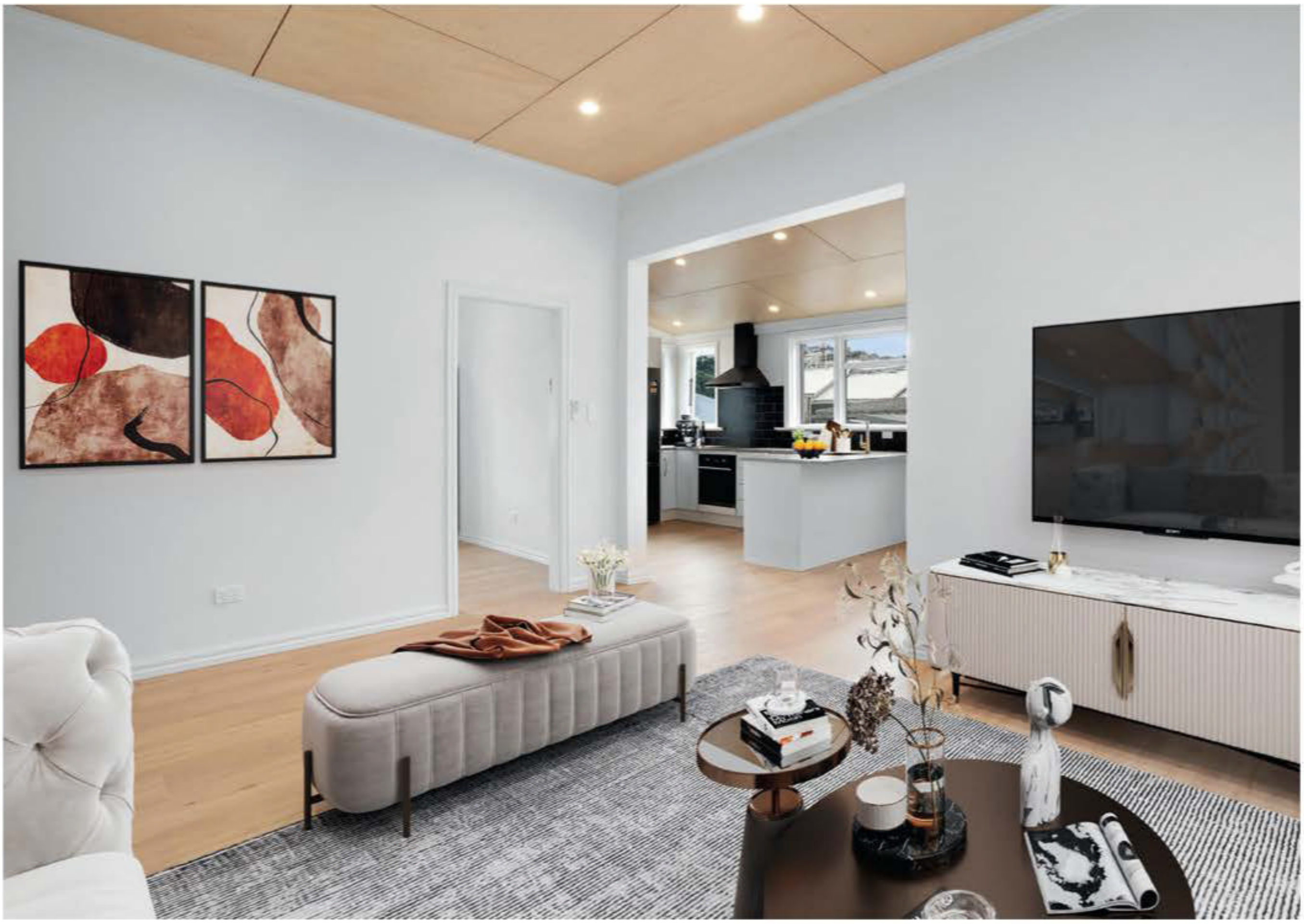


'The bathroom was like a horror movie set'

At this early stage he planned to bowl the house and build four separate dwellings on the property, which was in a great location in the heart of Wellington. Once again, he asked the mortgage broker if he could get finance. "He said that it would be fine; I asked him if I could go unconditional, and he said 'yes'."

So he purchased the property for $815,000, with a three-month settlement, in late February 2022, and an architect drew up plans.

But things didn't work out as planned.

FINANCE ISSUES

Unfortunately, the broker had been wrong about the finance. In the three months between signing and settlement, CCCFA changes had come into force. Gone were the days of easy money and Sharma's "sure thing" was transformed into a big "no".

"My mortgage broker told me that the development was not going to happen. It would have cost over $2 million. But then, he also wasn't able to secure the money for even the cost of the house. It was incredibly stressful."

Fortunately, Sharma was able to find another broker, who secured a loan through a second-tier lender, but with a much higher interest rate. "And I had to extend the settlement date by 14 days, which cost me some money, but allowed me to get a mortgage."

But now he was stuck with an unlivable house and no funds for renovation. He had to think quickly.

'STAGGERING' QUOTE

Sharma had a contact who was a builder, and asked him to work out the cost of completely gutting the house and starting again. The quote came back at a staggering $250,000 – money he didn't have. So he went to the bank.

"I was able to get half the money from a Westpac loan," he says. He also had money left over from another mortgage (a new build duplex) that he could put towards the renovation.

"But I didn't have all the money at once, so I had to explain to the builder what was happening and he worked at his own pace."

Sharma had intended to do aspects of the project himself – such as painting – but his day job was full-on so he outsourced all the work. It ended up costing him $280,000 all up.

Because the house was so awful he spared no expense in making it beautiful. "I was used to new builds and I think I went a bit over the top," he says. The walls and floors needed to be removed and replaced and the kitchen and bathroom gutted and re-created. He also turned an outside shed into an extra bedroom.

The build took around five months. at the time there was no GIB to be found in New Zealand. "We ended up using plywood, which was three times the cost, but we had no other option."

SEARCH FOR TENANT

By the time the build was complete and ready for rent, it was January 2023, which was a quiet month in the city when no-one was looking for rentals.

Shortly after, an enormous amount

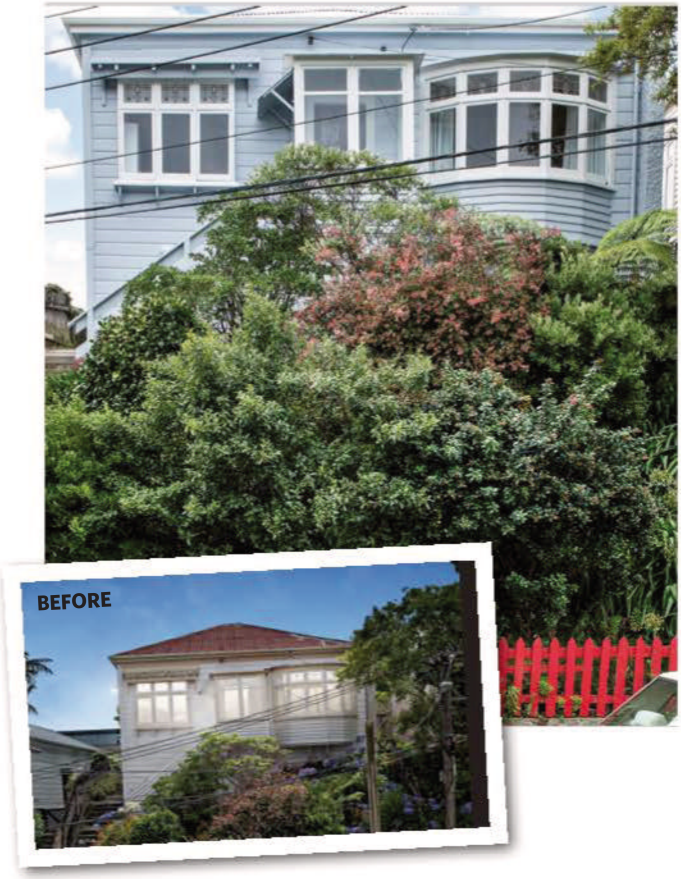
The kitchen and bathroom were completely gutted and re-created. No expense was spared in making the new spaces beautiful.

of rentals became available at once (Sharma says there were 46 of his type of property at one stage) and the competition was fierce. The location and size of the property lent itself to student accommodation, but it was possibly out of their price range.

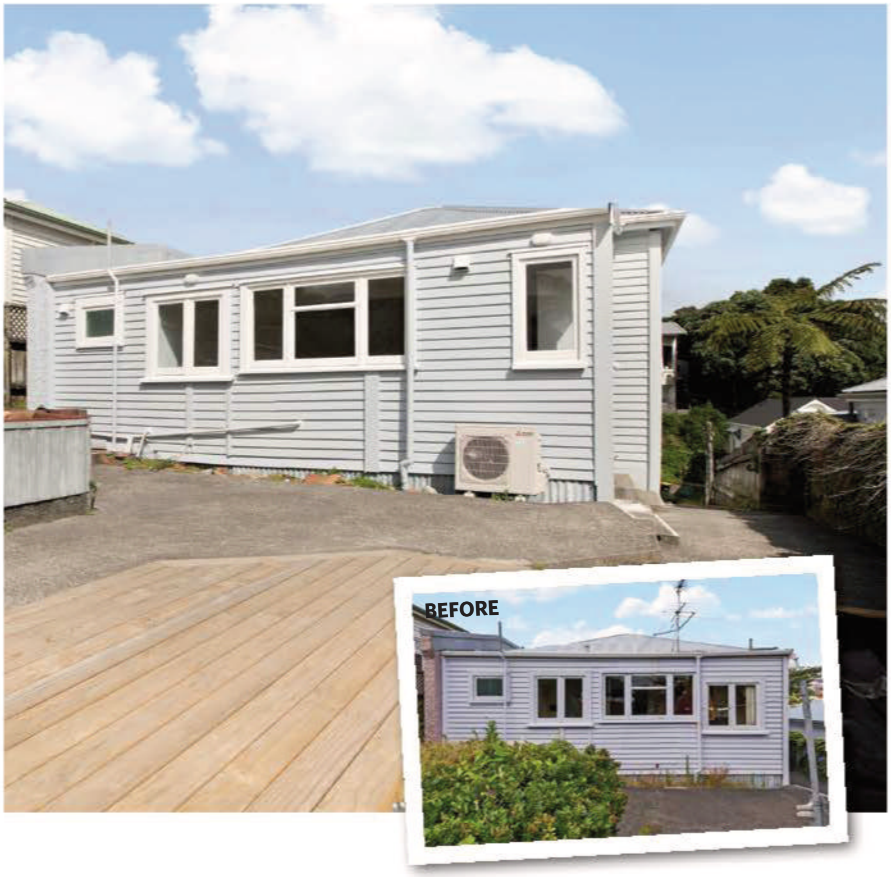
"Students tend to not care what properties look like inside, and go for the most affordable place," he says. "One group of overseas students were keen, but I wasn't able to get any reference checks so I didn't feel comfortable giving it to them."

He was also determined to manage the property himself: "I wanted to save money."

But he realises in hindsight this was a mistake. "I wouldn't try to do this



ABOVE From horror movie set to handsome home.
BELOW After mortgage and reno costs Sharma has $100,000 equity in the property.



again – it's best to let the professionals do their job."

It still is yet to be rented, but there is interest. And better still, the valuation on the property came back at $1.22 million, which leaves him with just over $100,000 equity after mortgage and renovation costs, so there is a definite silver lining to this renovation cloud.

Sharma isn't embarrassed about sharing a story that's different from the usual renovation successes, and he is determined to hold onto the property. "If I sold it I would have to pay so much in taxes that I would be unlikely to make anything."

The home has brought him "so much grief" but he admits the renovation itself was a success.

"It's such a great place – I would live in it myself!"

And he's hoping that the likely capital gains in the next few years are likely to override any of the stress he experienced during his great home transformation. ■

ABOVE An outside shed was turned into an extra bedroom.
BELOW Being used to new builds Sharma wanted a high spec for his reno.

RULES AROUND NEW DWELLINGS

Territorial authorities have different regulations, but buildings are classed the same throughout the country.

Adding a new dwelling on an existing property always involves a consent of some type.

The complexity and cost depends on things like how big you want the new dwelling to be, if you're looking to establish a new title for it (subdivide), and how it will be used.

Different territorial authorities have different rules, but buildings are classed the same throughout the country.

- Sleepouts can't have food preparation facilities or a bathroom, and are generally classed as "accessory buildings" rather than dwellings. These are the simplest to consent and build. In some cases, no consent is needed.
- "Minor dwellings" include sleepouts with food preparation facilities and a bathroom, up to a size of 60 or 65m^2. They must be built on a section with a primary dwelling. Exactly what is allowable will depend on the size of your site, existing building coverage and zoning. This is the most common.
- Subdividing is the process of dividing land into separate titles. You'll be creating a new section (or dwelling), on its own title, allowing the new dwelling or section to be sold independently of the original home. There are various consents required for this activity, and it is usually the most complex project type.

COUNCIL CHAT

Your ideal new dwelling type will depend on your objectives and needs, and the constraints of your property's zoning. An initial chat with your local council will give you an idea of what's possible on your site.

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TIPS TO HELP LANDLORDS

A three-part series, which starts in this issue, provides a guide to heating, ventilation, and moisture ingress/drainage in rental properties.

HEALTHY HOMES

By July 1, 2025, all private rental properties must comply fully with the Healthy Homes Guarantee Act. The regulations came into tenancy law on July 1, 2021, with all new or renewed tenancies needing to comply with the Act within 120 days of the agreement. But landlords with long-term tenants still have until July 1, 2025 to meet all the standards.

Unpackaging the regulations can be tricky. In this, the first in a series that helps landlords understand their obligations around Healthy Homes legislation, *New Zealand Property Investor* looks at heating.

SPECIFIC RULES

The heating standards are based on the World Health Organization (WHO) recommendation that the indoor temperature within homes needs to be 18 degrees throughout the year. Many heating options won't achieve this, and there are very specific requirements for heating covered in the Act.

The heating devices in rental properties:

- must be fixed (not portable)
- must directly heat the main living room of the house
- must have a heating capacity of at least 1.5kW
- if electric, must have a thermostat
- must not be an open fire or unflued combustion heater.

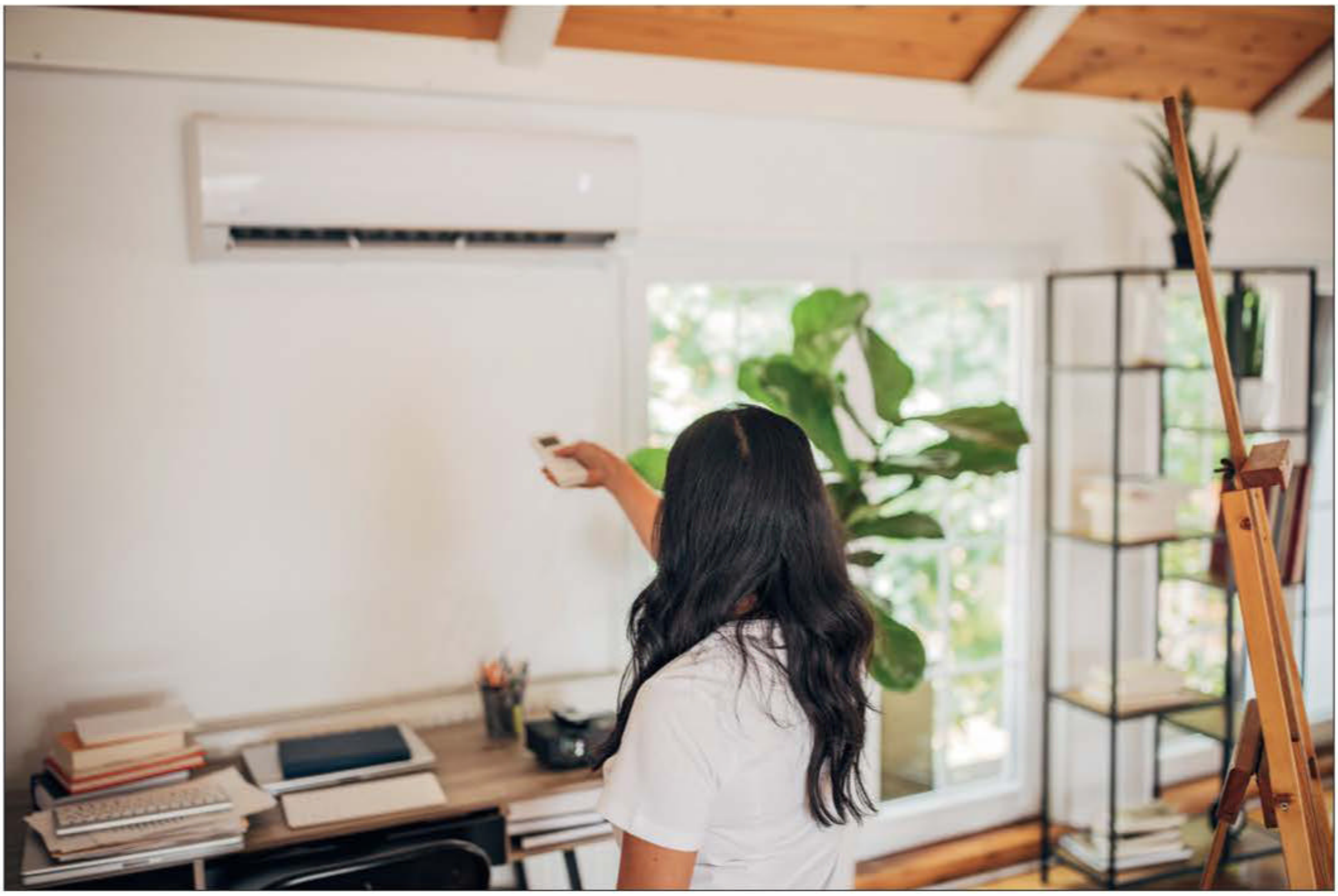
Suitable heating devices include heat pumps, fixed electric heaters with a thermostat, wood burners or flued gas heaters.

The tenancy.govt.nz website provides a tool with which landlords can calculate the minimum heating capacity needed for main living rooms of rental properties. However, this can be slightly hard to understand, and it is often best to seek help when considering your heating choices. There are many companies that offer services around this compliance, but do your homework first, as this industry is not regulated.

FIRST CHOICE

Heat pumps are generally a logical option for investors, and they have several advantages. Purchase and installation costs are high compared with some other forms of heating, but running costs can save users hundreds of dollars a year.

The size of the heat pump will depend on the size of the room and other factors



Heat pumps are a popular choice for investors. While costly to install their running costs are lower than other options.

such as window placement and sun catchment. A larger heat pump may cost up to $800-$900 per annum to run, whereas a smaller one can cost less than $200 a year.

Mid-range heat-pump units, with a 3-6kW capacity, are priced between about $1700-$1900 plus installation, which can be between $800-$1000. There are businesses and organisations that offer quotes, installation costs and advice, plus online tools to find the best deal for your property.

Heat pumps are considered the best option because:

- they are considered the most energy efficient form of electric heating
- they are also able to cool a home during those sweltering days in summer
- dehumidifying capacity helps remove dampness and damaging mould
- popular with home buyers if the home is sold
- include air filter options, particularly beneficial to those with asthma and allergies.

OTHER OPTIONS

Pellet heating is a system in which wood pellets are combusted. This is the common source of heating for central heating systems, but can also be purchased and installed as a freestanding model or inserted into a fireplace. They are more reliable in areas where heat pumps can freeze over, such as the lower South Island. The energy efficiency of pellet heating is comparable to gas.

> ‘There are businesses and organisations that offer quotes, installation costs and advice’

While pellet heaters cover heating and hot water even in the coldest environments, they are expensive to purchase and install. But in the case of a power outage they will provide 12 hours of heat, and they can save costs of heating annually.

Panel heaters are a form of electric heating that has also become popular for rental properties. They work quickly and reduce waiting times, which can help reduce heating costs during colder months. Most panel heaters on the market are available in watts rather than kW, making them possibly less effective in heating large spaces. Smaller models can be an excellent option in smaller rooms: the cost to run these heaters is between 23-31 cents per kW.

COMPARE, REVIEW

There are several sites and tools available for landlords to compare and review different heating options for their rental properties. Consumer.org.nz offers price and efficiency comparisons for all types of heating available on the general market. There are also companies that offer obligation-free quotes and advice and these can be found online. Some property management businesses also offer free Healthy Homes assessments for landlords. For more information on your obligations visit Tenancy.govt.nz/healthy-homes

PROPERTY MANAGERS AND HEALTHY HOMES

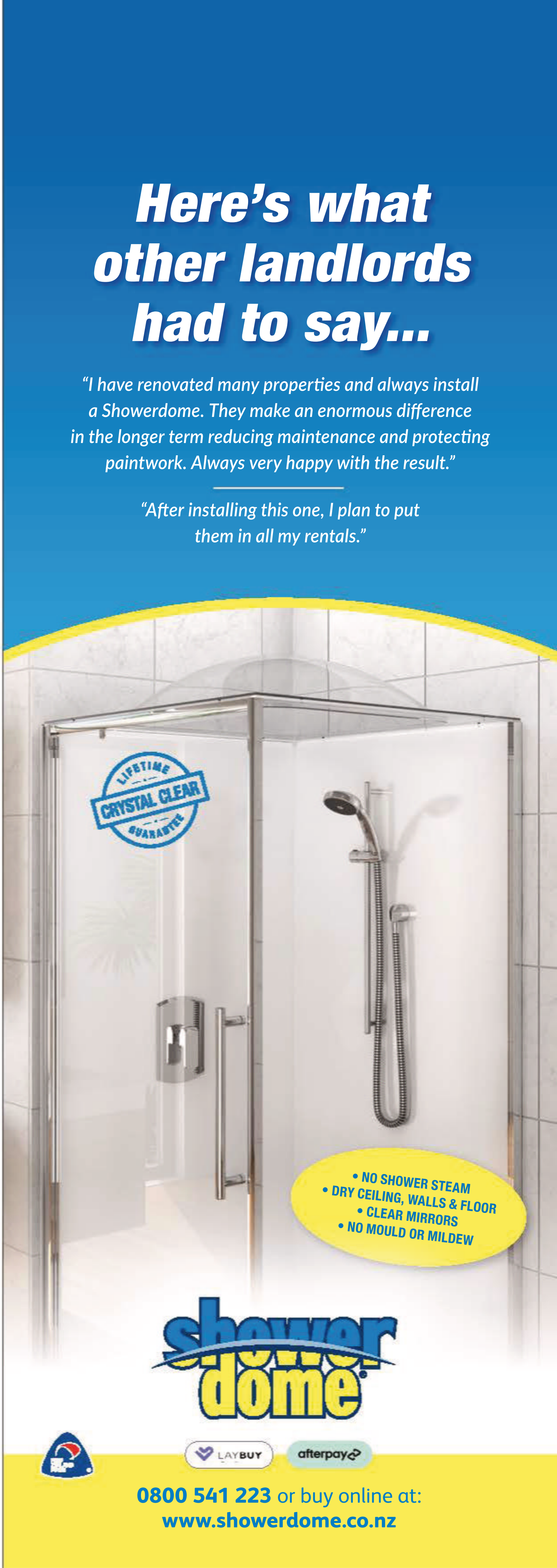
Compliance with Healthy Homes has resulted in more pressure and workload for landlords who also have to understand what the legislation means. The government has not helped itself because there have been issues with the heating calculator that resulted in amendments in May 2022. These needed to be made as the previous calculator did not take into account correct building requirements under the 2008 building code.

This led to frustration as landlords not familiar with the legislation could not understand how new builds were failing the calculation.

There are many benefits to using a professional property manager in dealing with such complex matters. They should have a solid understanding of the legislation as they are working with it daily, and they typically have access to Healthy Homes assessors who can complete the assessments for you as well as access heating solutions to ensure your asset is compliant and your tenants warm and dry.

If your property does not meet the heating standards, then your property manager can take steps so you are not burdened with the added pressure of contacting trade suppliers.

Overall, using a professional property manager will save time, money and reduce stress. It should also give you some protection because they are arranging assessments and taking on the responsibility of being the landlord. ■



Here's what other landlords had to say...

"I have renovated many properties and always install a Showerdome. They make an enormous difference in the longer term reducing maintenance and protecting paintwork. Always very happy with the result."

"After installing this one, I plan to put them in all my rentals."

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THE DIFFERENCE BETWEEN PRICE AND VALUE

The idea that a higher price equals more value is not always the case, as **Andrew Nicol** explains.

Real estate agents often use the idea that higher price = more value when trying to sell a more expensive property to an investor.

But that's not always the case ... and a notion often proved wrong in the new build market. Sometimes a less expensive property provides more value. And as a financial adviser who looks for new build properties on behalf of investors, I think it's vital that someone recommending a property can demonstrate its value.

Each month, this section looks at new build properties, analysing real deals to see which is the best investment.

THE THREE PROPERTIES

This month's case study looks at three townhouses in Spreydon, Christchurch.

They're all being built by well-known developers (redacted so I don't get angry phone calls). All have three bedrooms, two bathrooms, are within a couple of kilometres of each other, and are for sale in today's market.

But there are some key differences.

IS 23 BARRINGTON ST A GOOD INVESTMENT?

PROPERTY DETAILS

	BARRINGTON STREET	SIMEON STREET	BUNYAN STREET
Suburb	Spreydon	Spreydon	Waltham
Price	$715,000	$739,000	$749,000
Rent	$620 / week	$620 / week	$555 / week
Gross Yield	4.51%	4.36%	3.85%
Developer	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX
Bedrooms	3	3	3
Bathrooms	2	2	2
Car parking	Single car garage	1x car park	1x car park
Floor area	105	100	96

THE PRICE

The most crucial factor when looking for new builds is price; it needs to be a good deal compared with other properties on the market.

In this case the most affordable property (Barrington Street) is $34,000 cheaper than the most expensive (Bunyan Street). However, the less expensive properties have larger floor plans.

For any Christchurch locals who read *NZ Property Investor* magazine, you'll also know that Spreydon is a more desirable area than Waltham.

THE YIELD

The most expensive property (Bunyan Street) costs more than the other two properties, but the rent is significantly lower.

That means the gross yield on the Bunyan Street (more expensive property) will also be lower than the other two.

For anyone new to property investment, the gross yield measures how much rent a property collects compared to the purchase price. It's calculated as the annual rent (52 weeks) divided by the purchase price.

The property with the highest gross yield is Barrington Street, at 4.51 per cent. Next is Simeon Street, with 4.36 per cent. Bunyan St has the lowest gross yield at just 3.85 per cent. So in this instance, price is not necessarily representative of value for an investor.

> **'There's a big difference between price and value. Price is what you pay; value is what you get'**

CAR PARKING

The price of a new build will change dramatically based on whether it has a car park or a garage. From my experience Christchurch townhouses with garages cost $40,000 – $50,000 more than the same property with a car park.

In the case of the three properties discussed in this article, the most affordable property is the only one with a garage. That's despite it being comparable on many other metrics.

HOW DO I BUY A NEW BUILD?

If you're looking to invest in a new build property like this, there are two ways to get one:

1. You can use the information to find a property yourself through a developer.
2. You can work with a property investment company.

These businesses build you a financial plan and then find new build properties that fit that plan.

Opes Partners is one example of a property investment company, although there are others. Property investment companies often don't charge you a fee. Instead, they get paid by the developer. It's a bit like mortgage brokers, who usually get paid by the bank. ■

Through Opes Partners, Andrew Nicol works with 97 developers nationwide. He and his team of financial advisers build Kiwi property investors a financial plan and match these investors with new build properties that fit the plan.

OPES PARTNERS

PLAYING THE TRUMP CARD

When Vrbo and Airbnb were first launched short-term renting was a niche market, but it has since become an incredibly lucrative source of income, writes **Eric Hammond**.

With early forecasts for the market to reach over US$256 billion by 2030, many property owners want to know which model is more profitable, short-term or long-term rentals. Both rental markets come with unique benefits and specific needs to excel, but more often than not, short-term renting holds the trump card. Here's why.

PROFITS UP

The earning potential for short-term rentals can be exponentially greater, moving away from the linear and fixed long-term pricing model. Daily rates are higher and optimised throughout the year depending on seasons, entertainment, holidays, and demand. During the summer events such as the upcoming FIFA Women's World Cup, headline concerts and long weekends bring increased demand which pushes occupancy, pricing and profits. These are fluctuations not seen in long-term renting.

A key consideration for maximising your short-term rental returns is whether you self-manage your property or join a professional property management company. For a higher average daily rate (ADR), self-managed properties often fall short in comparison, relying on online travel agents' pricing algorithms for optimisation. A team of professionals can implement a hands-on, data-driven revenue strategy to continuously beat pricing in the wider market. According to AirDNA data, the ADR for self-managed properties has sat at $167 across Airbnb and Vrbo since our borders reopened in August last year. In contrast, The Stay Hub has achieved an ADR of $318 over the same period, which is 68 per cent higher.

> 'Short-stay guests are less likely to cause damage as their time there is so fleeting'

LONG VS SHORT

Long-term rentals often attract property owners who see the market as having a more stable income stream. With that said, by understanding the market and implementing a revenue optimisation strategy, occupancy in short-term rentals can be consistently high and you do not need to achieve 100 per cent year-round to see far greater profits than the long-term renting model.

Across the board for all property types, The Stay Hub has achieved an average occupancy of 91 per cent since our borders reopened for international travel in 2022, with self-managed properties on AirDNA sitting just shy of 75 per cent. While self-managed properties still perform well, an increased capacity for more frequent cleaning and round-the-clock customer service are central drivers in achieving higher occupancy conversions.

A reputable property management company will often out-perform properties that aren't professionally managed because they can meet both of these needs.

LOWER COSTS

A common misconception for short-term rentals is that frequent foot traffic through a property will result in increased damage and repair costs. In reality, short-stay guests are less likely to cause damage as their time there is so fleeting and the same chattels and fixtures are not overused. If you own a long-term rental, property damage can go unnoticed for extended periods of time while use continues, resulting in higher repair costs.

In short-term rentals, a property management company will undertake rigorous cleaning after each booking, alongside regular inspections. If damage does occur, it is spotted and repaired immediately, keeping your overall costs down in the long run.

MORE CONTROL

You do not need to worry about rent arrears or removing bad tenants in short-term rentals. If your property is being professionally managed, every guest that passes through is fully vetted to ensure the safety of your property and neighbours. A property management company can also address complaints surrounding noise, parties, or visitors as soon as they are made with a fast-acting customer service team.

Short-term rentals are highly attractive for homeowners who also want to use their property throughout the year while still making a profit when not in use. Short-term renting also gives property owners the ability to avoid the complexities of Healthy Homes and the Residential Tenancies Act.

While long-term renting is still an attractive option for property owners, short-term rentals can be a far more profitable source of income. To find out what your property could earn in the market, reach out to a short-term rental management company for a free appraisal and expert advice. ■

The Stay Hub is Auckland's leading short-term property management company. With owner and guest experience as our heart and a technological and data-led approach, we cover everything from extensive global marketing to hands-on revenue management, concentrated guest vetting, and plenty more. Visit www.thestayhub.co.nz.

Property Brokers

HEADACHES APLENTY OVER HEALTHY HOMES

There must surely be an easier and more practical way to implement minimum standards for housing, argues **David Faulkner**.

Having worked in property management for nearly two decades, I can assure you there has never been a dull moment.

One of the most challenging aspects we deal with is Healthy Homes. Firstly, we do need minimum standards. Every tenant deserves a warm, dry and safe environment.

However, with Healthy Homes we have created a bureaucratically confusing set of standards with moving goalposts, criteria and dates. The heating calculator, for example, has seen landlords waste thousands of dollars on top-up heat pumps that were not required and will probably never be used. The government had to move dates around when it became clear they would fail to meet their own standards.

When I started in the industry a Tenancy Agreement was two pages long. It is now a 25-page document, including a 16-page Healthy Homes compliance statement. Our population comprises a melting pot of cultures and ethnicities, and English is often not the first language. Are we better off simplifying the current complex document? Do tenants understand what they are signing and agreeing to?

Landlords must provide proof of compliance with evidence along with a compliance statement. Similar to the methamphetamine debacle, a new industry has evolved in undertaking Healthy Homes inspections.

INCREASED WORKLOAD

Anyone can carry out these inspections without training, and issues around compliance are often open to translation. The roll-out of standards has been a bureaucratic nightmare creating confusion, frustration, and an increased workload for our industry. I am fine with the increased workload to ensure that homes are warm and safe, but the standards focus on five individual criteria rather than the outcome of whether the property is fit for purpose.

The Healthy Homes standards failed at its first attempt to get through parliament. Its second attempt passed through the House of Representatives as it got through its first reading when National was in power because coalition partners, the Māori Party and United Future, crossed the floor and voted to support the Labour-backed bill.

In 2017, Labour fast-tracked the bill, and it became law, with the first standards coming into effect on July 1, 2019. The first compliance deadline for new and renewed tenancies was July 1, 2021. Since then we have seen issues with the heating calculator as some new builds were failing heating standards due to errors in calculating the R-value of some of the materials being used for construction. And we have seen adjustments in insulation settings and changes in dates and time frames.

WARRANT OF FITNESS

Even prominent Green MP Chlöe Swarbrick believes Healthy Homes is failing to deliver. I found myself nodding in agreement with her when I attended a recent conference as she said it should be scrapped and replaced with a rental warrant of fitness programme. Swarbrick rightly points out that the government has no idea how many homes are registered as Healthy Homes compliant, how many companies hold themselves out to be capable of issuing Healthy Homes compliance certification, and whether they are trained and qualified.

Likewise, there is nothing stopping landlords from issuing their own certificates. About 50 per cent of all rentals are managed by owners, and there is no way of accurately assessing the level of compliance across New Zealand.

For the level of work that Healthy Homes has created versus the outcomes obtained, it has failed to deliver.

I think NZ should move to a Europe and UK-based Energy Performance Certification (EPC), showing the energy efficiency and emissions of the property by using a grading system similar to that used for household appliances and vehicles.

Properties must be assessed every five years, and if a property is below a certain threshold it can only be tenanted once improvements are made and reassessed. This focuses on outcomes rather than individual criteria that are open to interpretation and have become a bureaucratic nightmare to manage. ■

David Faulkner is the General Manager of Property Management for Property Brokers and is recognised as one of the leading experts in the New Zealand Property Management industry. He has been involved in the industry developing robust policies and procedures, training, and consultation services for many years.

TIME TO THINK IN COMMERCIAL WORLD

Investors will benefit from a frank chat with prospective or existing tenants in the coming months, writes **Andrew Logie**.

Commercial property investors may have a lot to consider over the coming months. In particular, investors with leases expiring, leases coming up for renewal or due a rent review will benefit from having frank discussions with prospective or existing tenants on their current and projected financial status.

The current economic hardships don't hit all industries in the same way. The following summarises our thoughts on the industrial, office and retail/hospitality sectors and provides some considerations for affected landlords. Seeking assistance from valuers and other professionals in your team will prove helpful for investors navigating this period. Industrial investment continues to be a solid performer, with low occupancy rates driven by lack of industrial land, reduced development activity and tenants who often operate in sectors with reliable incomes.

Landlords nearing expiry or signing up new leases need to test the market and in some cases can push back on onerous or preferential lease terms presented by tenants. Investors in this position will benefit from valuation advice to extract maximum value from lease terms where the commercial setting allows.

THE OFFICE

Office tenants previously seeking rental certainty and "staying put" during Covid periods may now have leases reaching expiry. What Covid also accelerated is the work-from-home phenomenon. A reaction from the office leasing market is to prefer a higher grade of space. This "prime" grade space acknowledges the trend of hybrid working (a mixture of WFH and office), incorporating intuitive AV/IT systems which allow occupants to easily transition between office work stations. To ease the transition from home to work, work spaces will increasingly need to be comfortable and generally attractive places to be.

Landlords seeking premium rents need to be mindful of this trend and engage with tenants around their future plans. Being accommodating around potential re-fits might entice good tenants to stay rather than consider other options. With development stymied for the moment and occupancy rates remaining low in most CBD locations, landlords could be forgiven for taking an alternative view and continue with the status quo. The right call will very much depend on the particular attributes of a given premises and the length of time left to run on lease terms.

RETAIL, HOSPITALITY

Small-scale retail continues to face commercial challenges created by a high inflation environment and online marketplaces, and should be appropriately vetted by landlords. Some hospitality and retail could get a welcome cash injection with tourism breaking back into the NZ economy, but this will be location specific.

Doing your homework on tenants, maintaining prudent asset management practices and taking reliable security for lease obligations will help landlords' businesses in the long run. Investors who have been in the commercial sector through previous economic downturns will appreciate the value in allocating appropriate time and resources to these tasks.

DEVELOPMENT

As with all types of property development, commercial development has been hit with high construction costs and a lack of skilled labour. This can be seen by the reduced amount of consented commercial space coming through the authorities.

Developers who are experienced in "value add" projects could still see upsides to existing stock, the value of which has naturally fallen due to funding constraints and increases in holding costs.

Development in the industrial sector is still viable if land can be sourced. Developers looking to sell "off plan", and investors looking to purchase these assets, need to undertake a detailed review of deals to ensure they stack up. Proposed lease terms remaining bankable, warranty transfers, tenant incentives and the substance of proposed tenants all warrant careful consideration before Agreements to Lease are concluded.

An election year can cause uncertainty generally, but this year there isn't a long list of contentious policies that will affect the commercial property sector. We are expecting decisions to be made and deals to be done this year.

When times are good landlords can get away with negotiating deals under their own steam, but during economic uncertainty seeking advice from your team of professionals can prove useful.

Valuers can assist in crafting lease terms to maximise returns; agents can help investors pick from the best possible tenants on offer; and experienced lawyers can assist to protect assets over the course of a given lease and formalise deals struck. ■

Andrew Logie is a Senior Associate at Wynn Williams, specialising in property. He advises on all areas of leasing, sales and acquisitions and property development, including residential infill developments.

Withers Tsang

AVOIDING THE FINANCIAL WALL

For investors caught badly on the higher rate, higher tax highway, it's probably best to reach for the brakes now, writes **Mark Withers**.

This article is a no-frills hard look at the cash flow reality facing heavily leveraged residential property investors holding property that is not new builds, and whether, if you are amongst them, you need to make tough decisions to sell and retire debt.

Many residential investors have a portfolio of disallowed residential property funded by debt that is now subject to the deductibility of its interest being progressively disallowed.

Since the removal of deductibility we have seen interest rates more than double, so we are now seeing rates generally being re-fixed at 6.5 per cent, or more, if you are subject to commercial lending criteria. And we may not have seen the end of interest rate rises.

For the 2024 year we are entering, 50 per cent of the actual interest incurred is non-deductible and, in 2025, 75 per cent of interest will not be deductible. In 2026 none will be deductible.

This means many residential investors, as they roll off fixed rates, are seeing their interest bill double at the same time tax bills rise on a "taxable income" that, in reality, does not exist and in fact probably represents a cash flow deficit.

Bear in mind many investors will also experience their new tax bills as a double hit, finding themselves liable for the previous year's terminal tax and, for the first time, liable for next year's provisional tax where they have crossed the provisional tax threshold of $5,000.

These investors are caught in a pincer movement … the impact of interest rates doubling and tax increasing.
This is also happening at a time when lending criteria for property investors has never been tougher, with stress testing of income to qualify for debt at unprecedented levels meaning many investors will not qualify again for the debt levels they currently have.

Banks are also more inclined to impose principal repayments on lending which is more money that can't be found from a portfolio that is trading at a cash deficit after tax. Now, here's the thing I hear a lot. Don't worry, the National Party has promised to restore interest deductibility, so all will be well. This promise for many has become the perfect excuse not to focus on making changes to cope with cash flow impacts and the removal of interest deductibility.

But with the departure of Jacinda Ardern, the election result now looks to be anything but a foregone conclusion with coalition possibilities on the left more or less matching those on the right and the prospect of NZ First or the Māori Party potentially holding the balance of power.

So, it would be a brave person who predicted an election outcome right now. Even if National got elected it's likely that actually repealing the interest deductibility law might take a year or two, and the effective date for the law change would probably be April 1 of the following year. For many investors facing a cash-flow crunch now there is no time to wait and hope things change.

So, what to do? Firstly, don't assume you can simply increase your rents to cover it. In recessions and with the cost of living as high as it is, it is tenants on fixed incomes who are hit hardest.

VITAL STEPS

Step 1 is to project your interest bill out over the next four to five years based on when your existing low fixed-rate loans mature.

Step 2 is to then estimate your tax bill based on that same interest no longer giving you a tax deduction beyond the 2025 tax year. This exercise will reveal whether you have a portfolio cash-flow deficit. If you do have a deficit you have to consider how to fund it.

If you are reliant on utilising lines of credit associated with the portfolio that is causing the cash-flow deficit you are effectively digging a deeper hole. You are also running the gauntlet of whether a lending review could result in that credit being cancelled by the bank if you can no longer meet their criteria to qualify.

Talk to your broker so you can see the level of finance vulnerability. This may lead to the need to sell property to reduce debt and correct the loss and tax position. The question then becomes what assets are best to offer up in a market such as this?

TAX SETTINGS

It's going to be hard to find a buyer for multi-income properties that do not meet the new build definition because there are few investment buyers about because of the tax settings.

Run-down rental properties often need money spent on them to achieve a sale in a weak market. So, it's likely to be a pretty gloomy picture on what can be achieved price-wise. Gaining a sale means meeting the market, as painful as that might be. But calculating your position and retaining control is far better than hitting the financial wall and finding yourself at the mercy of a lender who is only interested in getting a mortgage repaid. ■

Mark and his team specialise in advising on property-related transactions, valuation and restructure services, and tax planning. Withers Tsang & Co Phone 09 376 8860, www.wt.co.nz

THE INTEREST-ONLY WAY

Stevie Waring explains why a debt-free couple in their 50s took on an interest-only loan for their first investment properties.

A couple of debt-free homeowners were in their early 50s when they bought their first investment properties, worth $2 million.

But even though they had no personal mortgage, Opes Property partner Stevie Waring suggested they take out an interest-only loan. So, how would this benefit our mortgage-free, first time investors? Here's how it worked.

Auckland couple Joan and John describe themselves as "relatively conservative". They were in their early 50s, had paid off the mortgage on their own home, but had never invested. However, they had received a large inheritance of $1 million and wanted to use the money wisely.

HOW MUCH MONEY?

To create a property investment plan you first need to figure out what you're investing for. In other words: "How much money do you need to make your goal a reality?"

Joan and John said they wanted a passive income of $120,000 for when they retire in 15 (or so) years. They chose our Golden Goose strategy, which is when you build up a growth portfolio, sell them for high yielding properties, and live off the income forever.

Joan and John were in pretty good financial shape already. As well as a $1 million inheritance, they both had $200,000 KiwiSaver accounts and earned just shy of $100,000 each.

This meant if Joan and John did absolutely nothing else, they were on track to reach $70,000 of their goal. I should say that, in all my calculations I leave government superannuation out. Why? Because even though adding it in would blow Joan and John right past their goal, we don't want to have to count on it.

At Opes we call the gap between your retirement goal and what you're on track to achieve a Wealth Gap. One way to close a Wealth Gap is to build an asset base, which is a fancy way of saying fill it with properties. It was time to go shopping. But John and Joan were unique, because they had no personal mortgage. This is what lead to the big question: should the couple use an interest-only loan?

If Joan and John bought two investment properties at $940,000 and $1 million (and those each gained 6 per cent growth) they'd get to 96 per cent of their goal. (Yes, this is 4 per cent short, but I'll get to that in a minute.) With their inheritance, they chose to put a 30 per cent deposit into each – 10 per cent extra than required.

They did this for two reasons:

1) It makes these investment properties unencumbered from their own house.
2) It makes the cash flow manageable.

But remember, we weren't quite at 100 per cent of their goal. This is where I started talking to them about an interest-only loan solution.

INTEREST-ONLY SOLUTION

Property investors love an interest-only loan. In fact, almost half of investors use them because it frees up cash flow in the short term to concentrate on paying down personal mortgage debt.

But interest-only loans, while cheaper in the short term, are much more expensive over their lifetime. So, why was I suggesting this to newbie investors, Joan and John?

Well, on an interest-only loan, these two properties are giving around a 340 per cent return on investment each.

There is a $225 top-up Joan and John have to pay from their own pocket to hold on to the property. But this contribution will only hang around for about three years. After that the property will become positively geared and the rent will cover all expenses.

Now, let's look at these numbers if we change these loans to principal and interest (over a 30-year term).

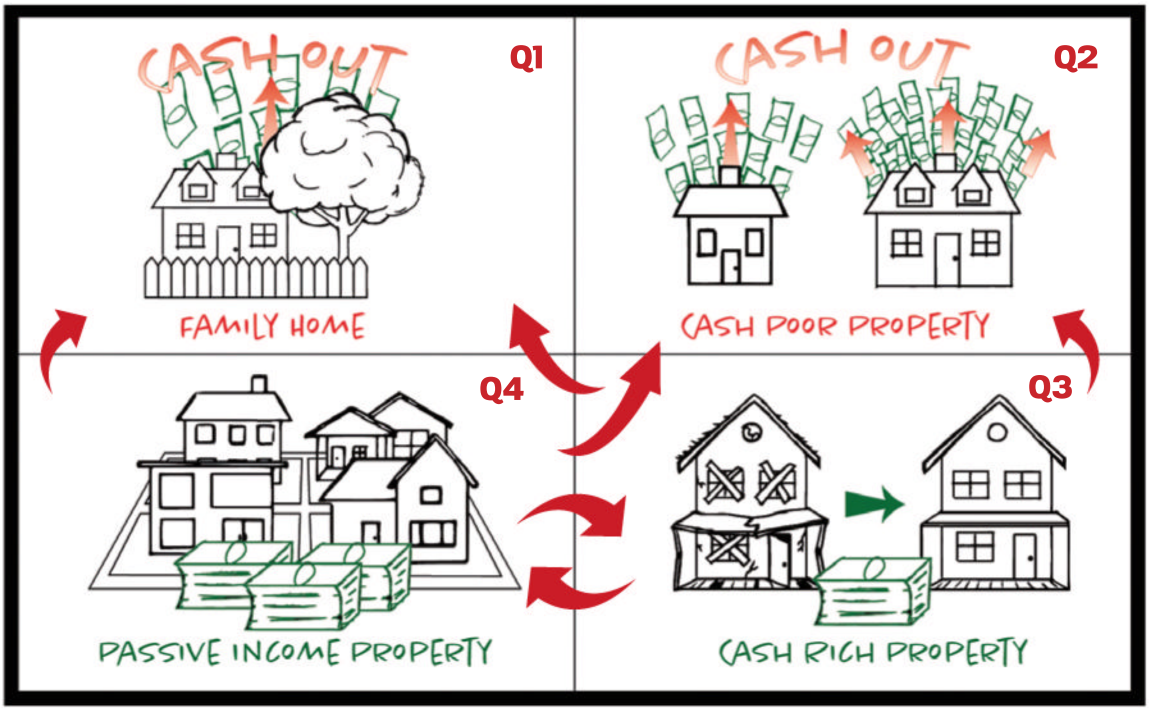
The contributions need to continue for eight years, and the ROI drops slightly to 300 per cent. So for every dollar you invest you get $3 back, instead of $3.40. The cash flow is so much worse when you're not interest-only.

Joan and John will have paid off about $300,000 of debt on the two properties (over the next 15 years) but it's probably not going to change their life. A better use of their money is to buy another property. Hear me out.

In three years time, the two Auckland properties will be able to fund the contributions of a third property, once they become positively geared. At 6 per cent growth, another $1 million Auckland property will get them to 124 per cent of their goal; $186,000 passive income, in a 15-year time frame.

If they want to just stick to $150,000, they can retire three years early. Either way, the impact to Joan and John's retirement is significant. Either they earn an extra $36,000 in passive income, or they retire three years earlier. All thanks to the interest-only loan. If these guys had a mortgage, I'd be getting them to pay down that personal debt as fast as possible. But in this instance it made more sense to free up cash flow to grow their portfolio faster. If you want the same results, your next step is to book a Portfolio Planning Session with Opes Partners. ■

Disclaimer: Just remember this is a column in a magazine, going out to thousands of people. It's not personal financial advice. But, it is an example of what can be achieved with personalised financial advice. If you are wanting to book a consultation, email us through the website at https://www.opespartners.co.nz/contact



BEWARE OF THE SAVER MINDSET

Making your money work for you by creating multiple streams of income is the way to go, writes **Nichole Lewis**.

“Money is a worry”, my mother would say, “you need to save every penny.” She would even drive to a different supermarket to save 10 cents on a loaf of bread.

Mum taught me a saver mindset. Every time I saved $1000 in my bank account, she told me to put it into a term investment so that I wouldn’t spend it. Save for a rainy day was her mantra.

Property wise, she drummed into me to buy my family home and spend the next 40 years working in a solid job to pay it off by the time I was 65.

“Don’t take any risks and work hard”, she would say. That’s what I learned from a young age. Worry about money, work hard, save and by the time I reached 65 I might be able to retire.

I had no idea there was any other type of money management other than a “saver mindset”. That’s why I started property in Q1 and Q2 of the Property Quadrants, because I didn’t know any different.

‘ANOTHER YEAR WISER’

But as I grew older and wiser, as my aunty Zita would always write in my birthday card “another year older and another year wiser”, I realised the saver mindset was holding me back. Millionaires didn’t have a saver mindset at all; they got their money to work for them.

The wealthy have an investor mindset which is all about multiple streams of income, passive returns, minimising tax and taking calculated risks. A “risk” as I soon discovered was practically negated completely when you have the knowledge and the means to achieve what you set out to do.

What I wish I knew from the beginning was how to use the investor mindset in Q3 and Q4 of Property Quadrants.

Making your money work for you by creating multiple streams of income, both passive (Q4) and active (Q3) so that it feeds into paying down your family home (Q1) and your cash negative investment property (Q2).

MAJOR KEYS

The five major keys to an investor mindset are:

1. Create passive income over time so you don’t have to do anything to keep the money rolling in.
2. Diversify your investments (vary your banks, areas and types of deals) so you control the narrative.
3. Make active income faster than you can in your job using property.
4. Always look for opportunities.
5. Build a network of investors who are more successful than you so you are always growing.

A very wise investor once told me the more you look for deals the more “luck” you will have in property.

If I’ve learned one vitally important lesson over the years it’s that the saver mindset holds you back and limits your thinking. The investor mindset grows your wealth, builds your legacy and gives you the freedom to live the lifestyle you choose. And it is only from a place of freedom you can help others and make a true impact on the world. ■

Nichole Lewis is CEO at The Property Lifestyle, an international best-selling author, property mentor, public speaker and passive income expert. Creator of Property Quadrants™ formula, she helps people replace their salaries with passive income. ***Contact Nichole to talk property and see how she can help you nichole@thepropertylifestyle.co.nz, 021 582 107, www.thepropertylifestyle.com, www.nicholelewis.com***

THE PROPERTY LIFESTYLE

THE SOUTH'S CREATIVE HEART

Nelson is well known as an artsy place that fosters alternative lifestyles, but it's palette extends well beyond that, **Sally Lindsay** writes.

Nelson's Parker Gallery showcases original painting, sculpture and mixed-media pieces by Nelson Tasman and New Zealand artists.

NEAT PLACES/NELSONTASMAN.NZ

This city has the highest number of artists per capita in New Zealand. As well as the many excellent local potters, craftspeople and artists, the institution that best reflects Nelson is the international phenomenon of the World of Wearable Art, an awards show that began in rural Tasman nearly 30 years ago, but has now moved to Wellington.

Apart from a thriving arts scene, Nelson also has a booming economy; it has one of the lowest unemployment rates in the country. Agriculture underpins Nelson and Tasman. It's also home to a big fishing port. Retail, transport and health are other industries that need plenty of workers.

The wine industry is also on the list. There are more than 100 vineyards, with varieties such as pinot noir, pinot gris and sauv blanc calling Nelson home.

Along with endless rows of vineyards, Nelson is also the place to be for beaches, rivers and national parks, making it one of the most scenic places in the country. Mountain biking, water sports, fishing and hiking are all activities locals enjoy.

And Nelson Tasman is highly connected, making it easy to get around and experience everything the region has to offer. It has the shortest average commuting times for urban centres in NZ, giving people more time to enjoy their extraordinary backyard.

In Nelson Tasman it is no more than 90 minutes from the city or Motueka to the acclaimed wilderness areas of Abel Tasman, Kahurangi and Nelson Lakes, and 15 minutes to historic Cable Bay, Dun Mountain and Horoirangi Marine Reserve.

Being the geographical centre of the country, it's handy to many places; by air only 25 minutes to Wellington; 85 minutes to Auckland and 50 minutes to Christchurch.

Nelson's median house prices never went "berserk" after the pandemic lockdowns lifted and REINZ's latest data shows they have dropped just 15.6 per cent over the year to the end of February, whereas in Wellington they dropped 20.6 per cent. Tasman prices have dropped 5 per cent over the year.

The biggest yearly suburban drop to March 1 across Tasman and Nelson was in Takaka at 11.2 per cent, latest CoreLogic figures show.

Nelson houses in Toi Toi, Bishopdale, Tahunanui, Annesbrook, Nelson South and Wakatu dropped between 9.7 per cent and 7.8 per cent and are now in the $700,000 to $500,000 range. In

Motueka and Stoke drops of 7.3 per cent and 6.8 per cent respectively put houses in the $700,000 bracket.

PRICES PLATEAU

Ray White Nelson general manager Ben Cooper says prices are likely to continue dropping or they will plateau.

The company is picking a plateau in pricing similar to the GFC when growth was minimal at 2-2.5 per cent during that time.

Cooper says like most of the market 2020 and 2021 was an unnatural price bubble and during that period property investors came back into the market in force. “This created dented supply, with only 230 properties available for sale in the whole Nelson Tasman region near the peak.”

The company usually averages 650-700, but now more than 900 properties across the region are for sale.

Over the past decade the region has averaged 11 per cent growth a year with many investors relying on capital growth rather than straight cash flow, he says. “With interest rates sitting above 6 per cent and gross rental returns around 4 per cent, most investors are looking for options to increase yield via multi-dwelling properties, adding minor dwellings or self-contained units, sleepouts or even tiny homes to existing properties.”

Nelson district’s median sale price rose 28 per cent between lockdown in April 2020 and the peak in March 2022. There has been a 17 per cent adjustment down since then.

Rateable values were set in September 2021 near the peak, averaging a more than 40 per cent rise across the Nelson region and in some cases 60 per cent-plus. “This

One of NZ's most scenic destinations Nelson Tasman is the place to be for beaches, rivers and national parks.

has resulted in about 80 per cent of properties currently selling below the 2021 rateable value, but this shouldn't be used as a guide to value," Cooper says.

Tasman's median sale price increased 40 per cent since lockdown to peak in January last year, with an 8 per cent adjustment since. Cooper says this is largely due to more higher value properties (lifestyle blocks, farms, coastal properties and brand new homes) being sold compared to the Nelson region.

There was also a big increase in demand for lifestyle or off-the-grid type properties off the back of the pandemic and many people wanting to work remotely.

Tasman's RVs were set in October 2020, part-way into the bubble. "It will be interesting to see where the new RVs land, which are due to be set again this year," says Cooper.

Sharp rises in the OCR over the past 18 months have resulted in a quick correction and return to a more normal market.

"Across the region, the number of sales are down about 20 per cent on the long-term average and the average time to sell is three weeks longer than the long-term average."

With the sudden correction, winter last year was a cold market as buyers and vendors adjusted to the sudden changes, culminating in January being the lowest number of sales ever.

"For property owners wanting to sell it means now is still a good time as the short to medium-term outlook means a return to price increases is some way off. For investors who are looking for long-term secure and sustainable growth, there are plenty of options available on the market and savvy buyers will be

looking for properties in traditionally good growth areas, those with multiple income options or opportunities to create these."

ACTIVITY RISES

Investors are already back in the market, says Stewart Henry, general manager of Summit Property Management.

"There was a slow period last year where prices were dropping and the number of investors buying property declined. However, we are seeing activity this year increasing and last month a high number of our new clients had just bought."

It has also had benefits for the company. From January to February 134 new tenancies started across Summit's Nelson/Tasman/Marlborough portfolio, almost twice the bi-monthly average.

"We are seeing a steady interest all year now," Henry says. "Over the past few years the demand for rental properties has been steady year round and we have seen a regular lift in rental prices as well. Last year and, so far this year, there seems to be less seasonal change from summer to winter."

However, he says rental demand is definitely higher than supply and as with any growing city there is always the need for more rental properties.

"We are seeing a high number of tenants enquire on properties as they are advertised and this doesn't seem to have slowed with winter approaching."

A small number of properties in centralised areas were damaged by Cyclone Gabrielle. Some of these have come back on the market again after repairs. "Initially we were prepared for a large number of enquiries after the cyclone, but a lot of people were able to stay with family and friends."

Henry says there are a few extra people at viewings and in the community who have relocated from other regions, but this is relatively consistent with people normally moving to Nelson.

PROPERTY RETAINED

With the slowing sales market Henry says some potential sellers are opting to retain their properties and rent them out. "Due to legislation changes we are also getting numerous enquiries from landlords who want to engage a professional to look after their investment for them.

"In the grand scheme of things there hasn't been a big number of investors leaving the market, but some investors sold to cash in their long-term investments when the market was high and some are changing out older properties, that are high maintenance, to buy newer ones.

"Some investors, who will need a higher percentage of mortgage borrowing, are waiting to see if this or any other government reverses the tax changes as they will need the ability to claim interest against income as a business expense to make more purchases workable."

OLIVER WEBER/NELSONTASMAN.NZ

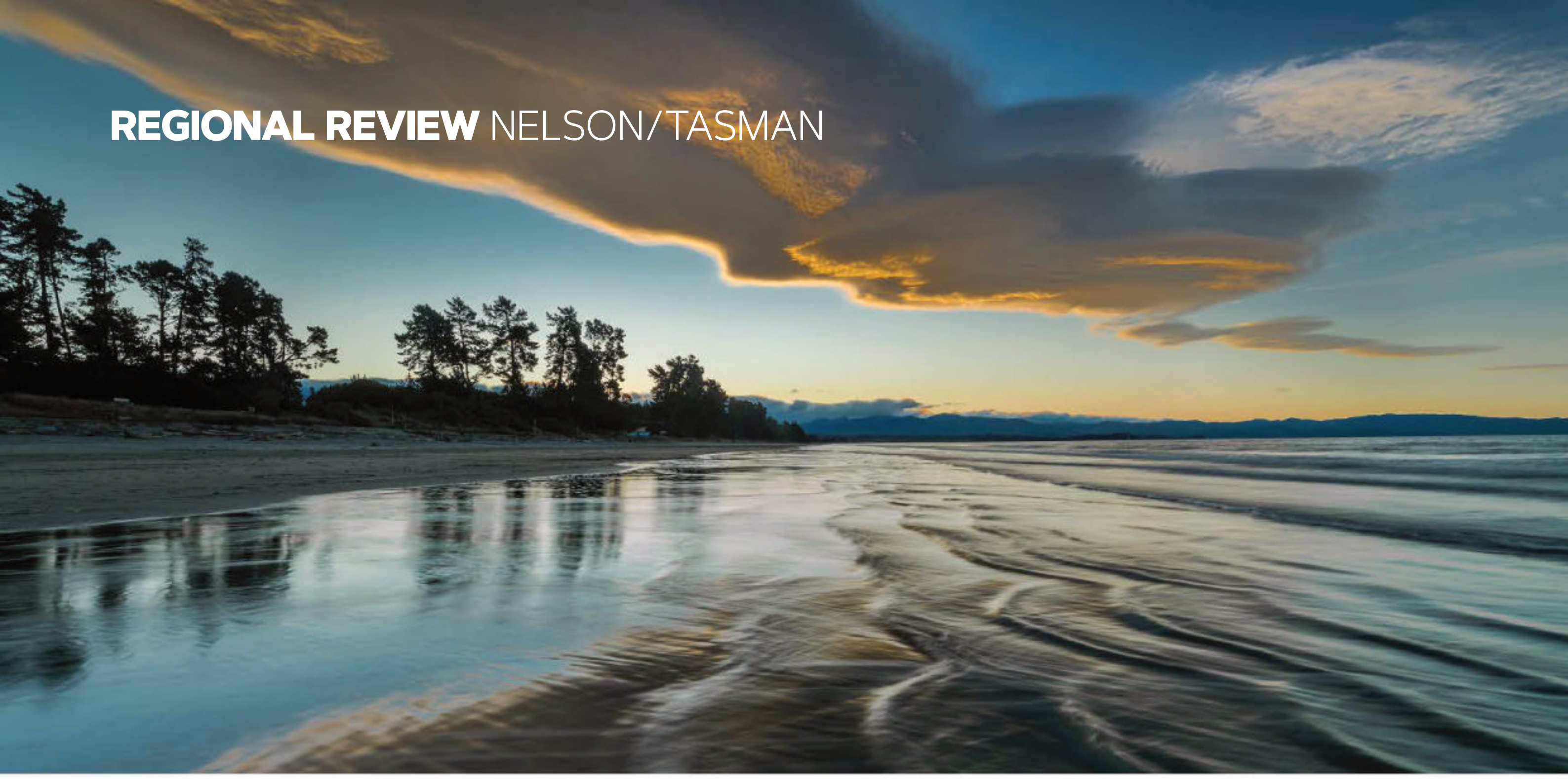
OLIVER WEBER/NELSONTASMAN.NZ

NEAT PLACES/NELSONTASMAN.NZ

OPPOSITE Looking out at Cape Farewell. **CLOCKWISE FROM TOP LEFT** Tahunanui Beach, Nelson's Saturday market, Kismet Cocktail & Whisky Bar, Ligar Bay rope-swinging, Sublime Brew Bar meeting, cycle-trail fun.

NELSONTASMAN.NZ

OLIVER WEBER/NELSONTASMAN.NZ



Scenic Rabbit Island lies a short distance from Richmond town centre.

MEDIAN PRICE & SALES

Annual change in Nelson/Tasman's median price and sales volumes over five years:

YEAR ENDING	MEDIAN PRICE	% CHANGE	SALES	% CHANGES
Mar-23	$778,750	-2.8%	1,360	-16.2%
Mar-22	$801,000	18.7%	1,622	-13.4%
Mar-21	$675,000	11.6%	1,872	-1.6%
Mar-20	$605,000	6.5%	1,903	7.3%
Mar-19	$568,000		1,773	

Source: REINZ

PRICE BAND SALES

Annual change in Nelson/Tasman's sales volumes across price bands over three years:

	% OF SALES			
PRICE BAND	YEAR ENDING MAR 2020	YEAR ENDING MAR 2021	YEAR ENDING MAR 2022	YEAR ENDING MAR 2023
Less than $400k	8%	4%	2%	2%
$400k-$599k	40%	28%	14%	18%
$600k-$699k	21%	22%	17%	16%
$700k-$799k	13%	16%	15%	18%
$800k and over	18%	29%	52%	47%

Source: REINZ

SUBURBAN GROWTH

Nelson/Tasman's top 10 suburbs for capital growth in the year ending March 1, 2023:

TA NAME	SUBURB NAME	MEDIAN VALUE 1/3/2022	MEDIAN VALUE 1/3/2023	ANNUAL % CHANGE
Tasman District	**Redwood Valley**	$1,333,200	$1,363,600	2.30%
Tasman District	**Ruby Bay**	$1,348,800	$1,344,350	-0.30%
Tasman District	**St Arnaud**	$735,700	$730,050	-0.80%
Tasman District	**Pohara**	$926,300	$910,100	-1.70%
Tasman District	**Hope**	$951,000	$932,000	-2.00%
Tasman District	**Mapua**	$1,125,100	$1,093,000	-2.90%
Tasman District	**Collingwood**	$721,800	$699,800	-3.00%
Tasman District	**Wakefield**	$818,450	$786,950	-3.80%
Tasman District	**Brightwater**	$867,600	$829,500	-4.40%
Nelson City	**Beachville**	$797,950	$756,900	-5.10%

Source: CoreLogic

Without an oversupply of rentals all suburbs are popular, but renters do prefer Nelson city and Stoke near schools, Richmond to Wakefield and Motueka.

Although Nelson doesn't have many apartment developments, if any units do become vacant Henry says they are snapped up as are rare one-bedroom properties.

Two to three-bedroom properties are the most preferred by renters and the average rents in Nelson are $550 a week for a three-bedroom property and $500 for a two-bedroom.

Most properties are rented after just one viewing where a maximum of 10 groups can attend. It takes a maximum of seven to 10 days to rent a property.

Renters' biggest headache is competition for properties, says Henry, as well as increasing living costs across rent, utilities, food and transport.

For investors the hike in interest rates, insurances and rates as well as maintenance costs and the removal of tax deductibility of interest payments is not helping, he says. ■

INVESTING IN NELSON/TASMAN

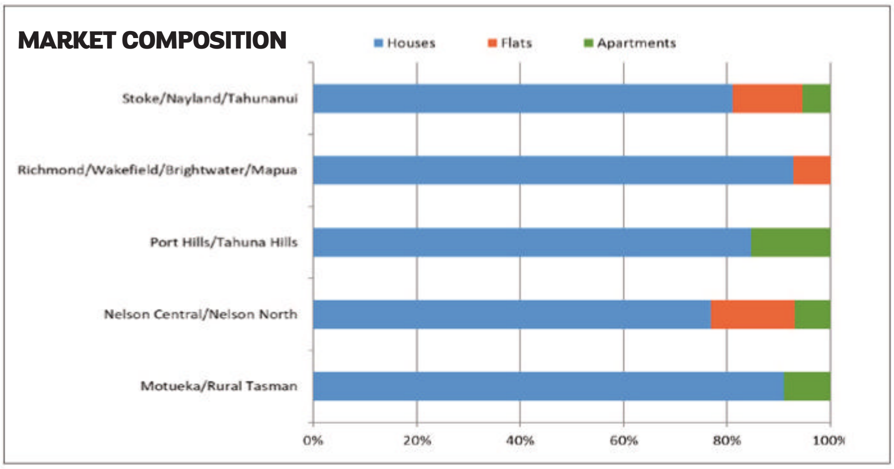
For more information about investing in Nelson/Tasman contact Nelson Property Investors Association at NelsonPIA@xtra.co.nz

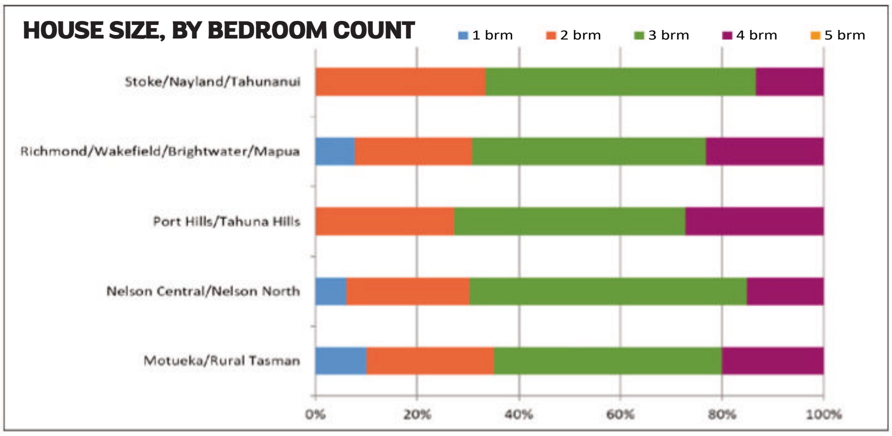
CORELOGIC NELSON/TASMAN
KELVIN DAVIDSON, CHIEF PROPERTY ECONOMIST

THE DATA

Rental data is sourced from the Ministry of Business, Innovation and Employment based on rental bonds lodged. This data is supplied to us grouped into geographic areas based on statistical area units used by Statistics NZ for the census and as a result do not always match well with common usage suburb names.

The rental data for each area is matched to property price information from our database to determine property prices and therefore yield. The yield is calculated as the annualised rental income divided by the median property value calculated using our E-Valuer.





RENTAL YIELD

SUBURB	MEDIAN WEEKLY RENT	MEDIAN VALUE	GROSS YIELD	ANNUAL RENT CHANGE
Richmond/Wakefield/Brightwater/ Mapua	$570	$796,300	3.7%	1.8%
Motueka/Rural Tasman	$550	$703,850	4.1%	14.6%
Stoke/Nayland/Tahunanui	$580	$728,600	4.1%	9.4%
Port Hills/Tahuna Hills	$555	$828,950	3.5%	0.9%
Nelson Central/Nelson North	$580	$770,400	3.9%	1.8%

Median Rent: Weekly rent based on the bonds lodged for three-bedroom houses in the three months to February 2023. **Rent Growth:** The percentage change in rent compared to 12 months prior. **Median Value:** The median value of three-bedroom houses in the area based on estimating the current market value of each property using our E-Valuer. **Gross Yield:** Annualised median rent as a percentage of median property value.

MARKET COMPOSITION

The rental market across Nelson and Tasman is dominated by houses, with smaller proportions of flats and apartments. Of the 429 properties recently available for rent, 360 (84 per cent) have been houses, with 42 flats (10 per cent), and 27 apartments (6 per cent).

In the apartment segment, the largest market lately has been Nelson Central/Nelson North, with nine. There have been six each in Motueka/Rural Tasman, Port Hills/Tahuna Hills, and Stoke/Nayland/Tahunanui, with none in Richmond/Wakefield/Brightwater/Mapua. Flats have tended to be concentrated in Nelson Central/Nelson North and Stoke/Nayland/Tahunanui.

For houses recently on the rental market, the most have been in Nelson Central/Nelson North (99) and Stoke/Nayland/Tahunanui (90). However, the highest concentration rates for this property type amongst all stock recently available for rent have been (90 per cent) in Richmond/Wakefield/Brightwater/Mapua and Motueka/Rural Tasman.

HOUSE SIZE, BY BEDROOM COUNT

Looking specifically at houses (360 properties), there have been no five-bedroom properties recently for rent across Nelson and Tasman, and only a smattering of one-bedroom properties across Motueka/Rural Tasman, Richmond/Wakefield/Brightwater/Mapua, and Nelson Central/Nelson North.

As is typical across the country, the largest share (50 per cent) of houses recently for rent have had three bedrooms. The most have been in Nelson Central/Nelson North (54) and Stoke/Nayland/Tahunanui (48), with those two sub-markets having the highest concentration rates too.

The two-bedroom category has recently accounted for 27 per cent of houses for rent across Nelson and Tasman, with Nelson Central/Nelson North and Stoke/Nayland/Tahunanui again the largest markets. The latter has had the highest concentration rate (33 per cent). And finally, for four-bedroom houses recently for rent, Richmond/Wakefield/Brightwater/Mapua had the most (18), albeit Port Hills/Tahuna Hills had a higher proportion amongst all houses (27 per cent).

RENT AND YIELD

By matching average value to rent we can look at gross yield for three-bedroom houses in each area.

Median weekly rents for three-bedroom houses across Nelson and Tasman range from $550 in Motueka/Rural Tasman up to $580 in Stoke/Nayland/Tahunanui and Nelson Central/Nelson North. That's quite a tight range by national standards.

However, the median values for these properties differ a bit more, from around $704,000 in Motueka/Rural Tasman up to almost $829,000 in Port Hills/Tahuna Hills. This means that gross rental yields also differ a bit across the area, with Motueka/Rural Tasman and Stoke/Nayland/Tahunanui above 4 per cent, but Port Hills/Tahuna Hills down at 3.5 per cent.

That said, 3.5 per cent is still quite good by national standards for a three-bedroom house. And rental growth itself has been solid in parts of Nelson and Tasman too, especially Motueka/Rural Tasman (14.6 per cent) and Stoke/Nayland/Tahunanui (9.4 per cent). ■

WHAT'S HAPPENING IN YOUR REGION

Monthly round-up of what's happening at your local property investor association.

NORTHLAND

NEXT MEETING: Wednesday, May 31, 7pm Whangarei Club, 18 Rust Avenue.
TOPIC: Kris Pedersen Mortgages. The industry-acclaimed mortgage broker reviews the government and RBNZ; why investors need to be careful if they are tight on cash flow; and why this winter may present the best buying opportunities since the GFC.
MEMBERSHIP: $180 single or $210 couple; includes many benefits. Please email npiacontact@gmail.com for more information. PO Box 1640, Whangarei.

AUCKLAND

NEXT MEETING: Go to www.apia.org.nz/events for details on upcoming meetings. APIA hosts 100 events and presentations for its members each year.
MEMBERSHIP: Starts from $75 and can be purchased on www.apia.org.nz/join. For more information about benefits visit www.apia.org.nz/membership.

WAIKATO

NEXT MEETING: Wednesday, May 10, 7.30pm at the Workingmen's Club Pavilion, 45 Commerce St, Hamilton.
TOPIC: TBA.
MEMBERSHIP: $260 for single, $350 for joint memberships. Includes many benefits. Ph 07 838 9201 or email admin@waikatopia.org.nz for more information or write to PO Box 12082, Chartwell, Hamilton 3248.

TAURANGA

NEXT MEETING: Monday, May 8, 7pm for7.30pm start, venue TBA.
TOPIC: PMG Funds, which cover topical information in their sector at the moment, including depreciation benefits, CRE values and different ways to invest.
MEMBERSHIP: Annual subscription $175 (plus one-off $75 joining fee) and, for an extra $70, copies of The NZ Property Investor. For corporate membership contact the president at president@tpia.org.nz or email admin@tpia.org.nz. PO Box 15-033 Tauranga 3144.

ROTORUA

NEXT MEETING: Tuesday, May 9, 6pm start at the NZHL Office, 1109 Fenton Street, Rotorua.

Head to Taranaki PIA's next meeting on May 16 to hear more about tiny, prefab and relocatable homes.

TOPIC: Paul Stewart, of Craigs Investment Partners. Alternative investment strategies including listed commercial property trusts and also strategies for retirement preparation.
MEMBERSHIP: $230 for single or couple; which includes many benefits. For membership information contact Toni Mills 0276956610.

HAWKE'S BAY

NEXT MEETING: Monday May 15, 6.30 for 7.00pm at the Havelock North Conference Centre
TOPIC: Harrisons – mobile, in-your-home service for carpet and flooring, curtains and blinds and solar power.
MEMBERSHIP: $210 individual or couple. Coffee mornings held on first Saturday of the month at The Coffee Club from 10am. (Non-members welcome). For more information please phone or text the HBPIA Association on 027 777 0178 or email hawkesbay@nzpif.org.nz. Postal address: PO Box 12049, Ahuriri, Napier 4144.

MANAWATU

NEXT MEETING: Wednesday, May 3, 7pm for 7.30pm at the Palmerston North Bridge Club, corner Cook and Cuba streets, Palmerston North.
TOPIC: Three outstanding speakers. Leonie McNamara (who offers mortgage and loan advise in plain English; Jenny Parry (Property Management team leader and winner of Property Manager of the Year 2009; and Alan Parker (creator of the Heritage House Walk Park).
MEMBERSHIP: Standard $165, Family $200 and Corporate $350, plus $25 joining fee for all new members. Membership includes subscription to The NZ Property Investor. For more information phone Pauline Beissel on 0274719192.

WAIRARAPA

NEXT MEETING: Thursday, May 18, 7pm at the Lone Star.
TOPIC: Luke Nicholls, of Key Hook, talks about managing properties with new software to help landlords.
MEMBERSHIP: $180, includes subscription to The NZ Property Investor. For more information contact Tim Horsbrugh on 021 992628 or email wairarapa@nzpif.org.nz

TARANAKI

NEXT MEETING: Tuesday, May 16, 7pm for 7.30pm at the Plymouth International Hotel.
TOPIC: Tiny, prefabricated and relocatable homes. Keen to increase your portfolio's value and maximise rental income by adding a second dwelling to an existing property? Come along and find out from companies who provide tiny and relocatable homes.
MEMBERSHIP: Annual subscriptions: First year, first time individual or couple $159 using the coupon code "New", ordinary renewing members individual or couple $190; Corporate, $350. Enquiries to taranaki@nzpif.org.nz

WELLINGTON

NEXT MEETING: Thursday, May 11, 6.45pm for 7.15pm start at Lifepoint Church, 61 Hopper Street, Mount Cook.
TOPIC: How investors can profit from the tiny home movement. Every current member who attends this meeting will go into a draw for a free year's membership.
MEMBERSHIP: Annual subscription $230 per entity (individual, couple, trust, LAQC, company etc. Many benefits. Contact: wellington@nzpif.org.nz ph 04 4729877 PO Box 1831 Wellington 6140. www.wnpia.co.nz

MARLBOROUGH

NEXT MEETING: Wednesday, May 17, 7.30pm at Ray White Blenheim.
TOPIC: Insurance anyone? Speaker Chris Lane is our expert insurance broker.
MEMBERSHIP: Annual subscription $185 per entity, including copies of The NZ Property Investor; $135 without magazine. For more information email marlborough@nzpif.org.nz

NZPIF AROUND THE REGIONS

JOIN ANY ASSOCIATION TO ATTEND SEMINARS AND ANNUAL CONFERENCE AT MEMBER RATES.

ABOVE Otago PIA meet on May 23. Ilse Wolfe from Opes Accelerate will share renovation strategies.

NELSON

NEXT MEETING: Thursday, May 11, 7.30pm at the Honest Lawyer, Monaco, Nelson.

TOPIC: Nelson Mayor Nick Smith has been confirmed to attend this meeting to speak to members.

MEMBERSHIP: To join, email NelsonPIA@xtra.co.nz $185 annually for couples or singles. Note no discrimination made on the basis of matrimonial status. Visitors are permitted to attend any of our meetings at no cost. Ask for your free investors' newsletter and meeting notifications at NelsonPIA@xtra.co.nz.

CANTERBURY

NEXT MEETING: Tuesday, May 5, 7.30 to 8.30pm, Foundation Cafe, Tūranga.

TOPIC: CPIA Brekkie Club, a low-key property investors' catch-up over coffee and breakfast.

Free for CPIA members; $25 for non-members. Registrations essential: please head to the Events section of our website for further details and to register.

MEMBERSHIP: Application fee $25, annual subscription $250. Sign up for membership and all the benefits by registering on our website http://canterbury.nzpif.org.nz/. For further information go to www.cpia.nz, email office@cpia.nz or contact the office (03)379 5251 during normal business hours.

SOUTH CANTERBURY

NEXT MEETING: Wednesday, May 17, 7pm at Carolyn Bay Lounge, Timaru.

TOPIC: TBA.

MEMBERSHIP: For information contact association president Kerry Beveridge at kiwikerry@gmail.com or 021482840. Or email southcanterburypia@gmail.com

NORTH OTAGO

NEXT MEETING: Please contact the association for information about the next meeting.

MEMBERSHIP: $150, includes subscription to The NZ Property Investor. For further information contact Jeanette Halcrow at krow47@xtra.co.nz or call 03-434 8268, Postal address, 127 Wansbeck Street, Oamaru. 9401.

OTAGO

NEXT MEETING: Tuesday, May 23, 7pm for 7.30pm start at the OPIA office, 8 Turakina Road, South Dunedin.

TOPIC: Ilse Wolfe (Opes) Accelerate: renovation strategies.

MEMBERSHIP: Being a member gives you many benefits. If you would like to join please email opia@opia.org.nz or phone 03-4776220.

SOUTHLAND

NEXT MEETING: Tuesday, May 23, 6.30pm followed by dinner at 7pm, Lone Star 28 Dee St, Invercargill.

TOPIC: AGM followed by networking dinner.

MEMBERSHIP: $150/year per individual or couple, which gives you many benefits. For an application form or any queries, email southland.propertyinvestors@gmail.com or call Irene Leonard, President, on 0275083084.

RentSkills Awards 2023

(formerly Landlord of the Year)

RentSkills Awards 2023

RentSkills Supreme Award 2023
– cup, certificate and $2,000

RentSkills Highly Commended Award 2023
– certificate and $1,000

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RentSkills Merit Awards 2023
– certificate and $750

FOUR AWARDS SUPPORTED BY
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HIKINA WHAKATUTUKI

Applications now open

and close on 11 September

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NEW ZEALAND PROPERTY INVESTORS FEDERATION
Proud providers of rental homes

RENTAL & SALES STATISTICS

MAY 2023

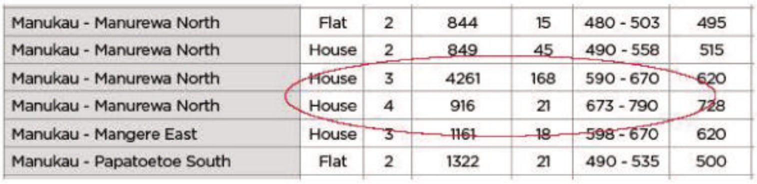
HOW TO USE THIS SECTION

The key to any good Investment is Information. *NZ Property Investor* magazine, with the trusted data supplied by Corelogic would like to show you how you could use this data to optimise your next investment search.

1 COMPARE RENTS AND VALUES FOR 3 AND 4 BEDROOM HOUSES IN A GIVEN SUBURB

Then consider what the rent and value increase would be if you renovated a 3 bedroom property into a 4 bedroom property.

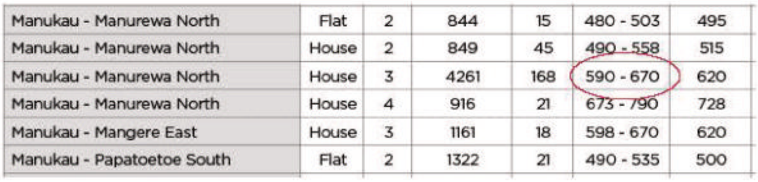
Example: Manurewa North going from 3 to 4 beds, looks like an increase of about $200,000 and rent of about $80 a week.



Manukau - Manurewa North	Flat	2	844	15	480 - 503	495
Manukau - Manurewa North	House	2	849	45	490 - 558	515
Manukau - Manurewa North	House	3	4261	168	590 - 670	620
Manukau - Manurewa North	House	4	916	21	673 - 790	728
Manukau - Mangere East	House	3	1161	18	598 - 670	620
Manukau - Papatoetoe South	Flat	2	1322	21	490 - 535	500

2 ESTIMATE AN INCREASE IN RENT FROM A RENOVATION

Example: If my house is in Manurewa North and has 3 bedrooms. If it currently rents for $590 and has 3 bedrooms, a renovation could push it up the rental range to the upper quartile. Currently $670. That's an $80 increase.



Manukau - Manurewa North	Flat	2	844	15	480 - 503	495
Manukau - Manurewa North	House	2	849	45	490 - 558	515
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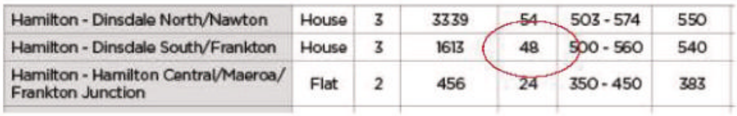
Manukau - Mangere East	House	3	1161	18	598 - 670	620
Manukau - Papatoetoe South	Flat	2	1322	21	490 - 535	500

Estimate the 1 year increase. This can also be useful when estimating how the value of your property may have changed over the prior 12 months, which can then impact your ability to purchase your next property.

3 ESTIMATE RENTAL DEMAND AND HOW LONG IT WILL TAKE TO FIND A TENANT

For instance there were 48 bonds issued in Dinsdale South in the last month. That means there are about 12 3-bed houses renting in that suburb per week. That might tell you something about how much vacancy you might have.



Hamilton - Dinsdale North/Nawton	House	3	3339	54	503 - 574	550
Hamilton - Dinsdale South/Frankton	House	3	1613	48	500 - 560	540
Hamilton - Hamilton Central/Maeroa/ Frankton Junction	Flat	2	456	24	350 - 450	383

RENTAL & SALES STATISTICS MAY 2023

RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
NORTHLAND														
Far North - Rural Far North	House	3	2272	15	395 - 500	420	-6.7	44.8	488750	-7.8	84.9	4.5	1.2	-21.7
Far North - Ahipara/Kaitaia	House	3	1293	18	443 - 500	480	6.7	50.0	481950	4.3	88.3	5.2	2.3	-20.3
Far North - Mangonui/Kaeo	House	3	1411	12	435 - 575	500	-1.0	65.6	762900	-2.1	69.3	3.4	1.1	-2.2
Far North - Bay Of Islands	House	2	766	18	450 - 595	485	15.5	34.7	778750	-5.6	75.3	3.2	22.3	-23.2
Far North - Bay Of Islands	House	3	3055	33	573 - 679	610	10.9	41.9	902050	-5.3	43.7	3.5	17.1	-1.3
Far North - Bay Of Islands	House	4	1543	9	600 - 660	640	1.6	23.1	1156900	-1.1	54.7	2.9	2.7	-20.5
Far North - Kaikohe	House	3	727	9	400 - 490	450	2.3	55.2	378200	0.1	101.7	6.2	2.2	-23.1
Whangarei - North West Rural	House	3	1251	18	550 - 650	595	8.2	59.9	804750	-13.3	34.8	3.8	24.8	18.7
Whangarei - Kamo/Tikipunga/Kensington	House	3	3840	51	545 - 625	580	1.8	41.5	669700	-7.3	50.4	4.5	9.7	-6.0
Whangarei - Kamo/Tikipunga/Kensington	House	4	1489	27	600 - 650	630	-3.1	27.3	819950	-8.4	39.5	4.0	5.8	-8.7
Whangarei - Whangarei Central/Otangarei	Flat	2	814	0	-	0	0.0	0.0	485350	-6.7	45.6	0.0	0.0	0.0
Whangarei - Whangarei Central/Otangarei	House	2	500	21	448 - 480	465	3.3	36.8	581700	-10.0	55.6	4.2	14.8	-12.1
Whangarei - Whangarei Central/Otangarei	House	3	1745	39	550 - 600	580	5.5	46.8	636850	-10.8	49.2	4.7	18.2	-1.6
Whangarei - Ngunguru/Onerahi/Whangarei Heads/Waipu	House	3	4499	39	566 - 668	620	8.8	47.6	878850	-12.4	34.4	3.7	24.2	9.8
Whangarei - Ngunguru/Onerahi/Whangarei Heads/Waipu	House	4	2105	24	650 - 718	680	4.6	41.7	1143750	-6.2	48.0	3.1	11.5	-4.3
Whangarei - Morningside/Raumanga/Maunu	House	3	1926	30	525 - 593	550	0.0	44.7	599200	-6.4	50.8	4.8	6.9	-4.0
Kaipara - Entire District	House	3	3461	30	460 - 650	535	7.0	67.2	781850	-7.2	48.2	3.6	15.4	12.8
Rodney - Wellsford/Warkworth/Helensville	House	2	1266	27	460 - 524	500	8.7	26.6	973500	-4.2	38.4	2.7	13.5	-8.6
Rodney - Wellsford/Warkworth/Helensville	House	3	4824	57	591 - 670	625	7.2	26.3	1139550	-10.1	40.5	2.9	19.3	-10.2
Rodney - Wellsford/Warkworth/Helensville	House	4	2770	30	653 - 724	680	3.8	23.6	1895400	13.8	51.6	1.9	-8.8	-18.4
Rodney - Orewa/Whangaparaoa	Flat	2	867	6	476 - 498	485	-4.9	7.8	870250	-8.5	26.1	2.9	3.9	-14.5
Rodney - Orewa/Whangaparaoa	House	2	1384	57	530 - 620	565	2.7	20.2	981650	-14.7	29.8	3.0	20.4	-7.4
Rodney - Orewa/Whangaparaoa	House	3	6354	96	630 - 755	685	8.7	24.5	1202900	-5.8	44.1	3.0	15.4	-13.6
Rodney - Orewa/Whangaparaoa	House	4	5364	87	780 - 883	820	2.5	17.1	1420350	-9.0	27.3	3.0	12.6	-8.0
Rodney - Rewiti/Kumeu/Riverhead	House	4	1713	30	768 - 850	820	-3.5	9.3	1460300	-12.1	23.6	2.9	9.8	-11.6
Rodney - Gulf Harbour	House	3	938	9	570 - 733	600	0.0	5.4	1078500	-11.8	35.2	2.9	13.3	-22.0
Rodney - Gulf Harbour	House	4	1146	12	695 - 793	715	2.1	21.2	1177050	-17.5	17.9	3.2	23.8	2.7
AUCKLAND														
North Shore - Torbay	House	3	1722	21	640 - 730	660	0.0	13.4	1165000	-15.6	18.4	2.9	18.5	-4.3
North Shore - Torbay	House	4	1396	21	680 - 850	770	-3.1	2.0	1348500	-13.2	-3.9	3.0	11.6	6.1
North Shore - East Coast Bays	Flat	2	617	9	550 - 585	560	1.3	12.0	1070500	-9.1	16.1	2.7	11.4	-3.5
North Shore - East Coast Bays	House	3	1250	33	720 - 965	800	3.9	15.1	1819950	-8.0	16.6	2.3	13.0	-1.3
North Shore - East Coast Bays	House	4	1622	24	848 - 1081	925	8.2	8.8	2493800	-4.3	18.0	1.9	13.0	-7.8
North Shore - Albany	House	3	452	33	680 - 780	700	7.7	17.3	1148250	-12.6	10.9	3.2	23.2	5.8
North Shore - Albany	House	4	902	27	758 - 915	848	6.9	13.1	1366400	-19.8	11.7	3.2	33.4	1.2
North Shore - Wairau Park/Glenfield North	House	3	1437	45	630 - 690	650	3.2	18.2	1059200	-14.8	22.4	3.2	21.1	-3.4
North Shore - Browns Bay	House	3	797	24	650 - 695	670	1.5	11.7	1257300	-15.1	21.9	2.8	19.6	-8.4
North Shore - Rothesay/Murrays/Mairangi Bays	House	3	1143	30	683 - 769	700	0.7	11.1	1490850	-10.6	14.4	2.4	12.6	-2.9
North Shore - Rothesay/Murrays/Mairangi Bays	House	4	1831	33	750 - 973	900	5.9	12.5	1768500	-11.5	12.7	2.6	19.6	-0.1
North Shore - Takapuna	Flat	2	807	9	535 - 571	555	-0.9	3.4	1039100	-15.6	16.3	2.8	17.4	-11.2
North Shore - Takapuna	House	2	193	27	573 - 650	600	1.7	1.7	0	0.0	0.0	0.0	0.0	0.0
North Shore - Takapuna	House	3	1186	39	650 - 850	710	-7.8	1.4	1911000	-6.6	22.1	1.9	-1.3	-16.9
North Shore - Devonport	Flat	2	521	6	538 - 685	595	20.2	26.6	1080100	-6.5	20.6	2.9	28.6	4.9
North Shore - Devonport	House	3	1567	24	805 - 919	850	9.0	13.3	2022250	-9.2	27.0	2.2	20.1	-10.8
North Shore - North Harbour/Pinehill	House	3	908	30	650 - 780	730	0.7	15.9	1266800	-13.7	12.3	3.0	16.7	3.2
North Shore - North Harbour/Pinehill	House	4	1334	24	775 - 883	830	-2.4	10.7	1616000	-6.6	25.0	2.7	4.5	-11.4
North Shore - Greenhithe/Unsworth Heights	House	3	1166	15	635 - 725	670	3.1	11.7	1231950	-14.8	18.0	2.8	20.9	-5.4

EXPLANATION OF STATISTICAL TERMS

No. of Properties: Total number of residential properties. **No. of Bonds:** Total number of bonds lodged in last three months. **Median Rent:** Weekly rent based on the bonds lodged in the latest three months. **Rent Quartile Range:** Inter-quartile range of weekly rent based on the bonds lodged in the latest three months. **Median Value:** The median value of properties in the group based on estimating the current market value of each property using our E-Valuer at the end of the latest month. **Gross Yield:** Annualised median rent as a percentage of median property value for specified time period.

RENTAL & SALES STATISTICS MAY 2023

RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
North Shore - Sunnynook/Westlake	Flat	2	643	12	568 - 600	585	8.3	20.6	930250	-12.2	20.5	3.3	23.4	0.1
North Shore - Sunnynook/Westlake	House	2	209	39	550 - 605	563	2.4	6.8	1223800	-13.4	15.8	2.4	18.2	-7.8
North Shore - Sunnynook/Westlake	House	3	1790	72	640 - 720	680	4.6	13.3	1360800	-10.1	13.7	2.6	16.3	-0.3
North Shore - Sunnynook/Westlake	House	4	932	27	750 - 858	810	-1.2	8.0	1577950	-12.7	10.7	2.7	13.1	-2.4
North Shore - Glendhu/Glenfield	Flat	2	579	6	438 - 513	480	-2.0	9.1	741700	-15.8	12.1	3.4	16.3	-2.7
North Shore - Glendhu/Glenfield	House	2	202	18	500 - 575	540	1.9	24.1	990450	-10.3	24.4	2.8	13.5	-0.2
North Shore - Glendhu/Glenfield	House	3	2208	57	600 - 660	650	3.2	18.2	1049150	-13.3	28.6	3.2	19.0	-8.1
North Shore - Hillcrest/Northcote	Flat	2	654	15	469 - 530	518	-1.3	15.1	797900	-15.5	14.3	3.4	16.7	0.7
North Shore - Hillcrest/Northcote	House	2	165	27	530 - 608	540	1.9	10.2	1116400	-14.4	16.2	2.5	19.1	-5.2
North Shore - Hillcrest/Northcote	House	3	1524	48	640 - 720	680	4.6	14.3	1271850	-14.0	19.6	2.8	21.6	-4.5
North Shore - Hillcrest/Northcote	House	4	1133	18	720 - 850	808	-0.2	4.3	1516450	-18.0	21.0	2.8	21.7	-13.8
North Shore - Beachhaven/Birkdale	House	2	421	21	500 - 561	545	0.0	18.5	969050	-13.1	22.1	2.9	15.1	-3.0
North Shore - Beachhaven/Birkdale	House	3	3386	45	600 - 665	620	-4.6	12.7	1061850	-12.0	25.2	3.0	8.5	-10.0
North Shore - Chatswood/ Birkenhead/Northcote Point	Flat	2	452	6	460 - 550	540	0.0	12.5	788600	-12.9	15.0	3.6	0.0	-2.2
North Shore - Chatswood/ Birkenhead/Northcote Point	House	2	250	21	500 - 600	550	-1.8	4.8	1310100	-11.8	29.5	2.2	11.4	-19.1
North Shore - Chatswood/ Birkenhead/Northcote Point	House	3	1884	30	651 - 838	718	2.6	7.2	1509850	-6.5	32.3	2.5	9.7	-19.0
North Shore - Chatswood/ Birkenhead/Northcote Point	House	4	1666	15	798 - 900	850	6.5	13.3	1669550	-10.5	24.9	2.6	19.0	-9.2
Waitakere - West Harbour	House	3	2074	57	630 - 740	695	6.9	20.9	1174950	-13.4	27.7	3.1	23.5	-5.3
Waitakere - West Harbour	House	4	2312	30	791 - 858	818	2.3	16.9	1409700	-14.9	18.3	3.0	20.2	-1.2
Waitakere - Massey/Royal Heights	House	3	2966	63	571 - 670	620	3.3	20.4	982450	-11.3	30.7	3.3	16.5	-7.9
Waitakere - Massey/Royal Heights	House	4	1177	21	700 - 750	728	5.5	17.0	1109650	-11.5	30.2	3.4	19.2	-10.1
Waitakere - Te Atatu Peninsula	House	3	1187	27	610 - 694	650	0.0	20.4	1092700	-17.0	24.2	3.1	20.4	-3.1
Waitakere - Te Atatu	House	3	720	24	570 - 660	600	-3.2	15.4	984500	-14.5	27.7	3.2	13.2	-9.7
Waitakere - Ranui	House	3	1595	24	560 - 630	600	3.4	22.4	839200	-14.3	28.3	3.7	20.8	-4.6
Waitakere - Henderson	Flat	2	846	6	468 - 494	483	0.6	12.3	692750	-11.5	26.7	3.6	13.7	-11.4
Waitakere - Henderson	House	2	622	33	500 - 551	520	0.0	18.2	811250	-15.5	26.4	3.3	18.4	-6.5
Waitakere - Henderson	House	3	4483	93	580 - 650	600	0.0	15.4	949400	-16.3	25.8	3.3	19.5	-8.3
Waitakere - Henderson	House	4	2337	30	700 - 750	750	3.0	21.0	1132100	-15.0	21.5	3.4	21.3	-0.4
Waitakere - Glendene	House	3	1724	33	580 - 623	600	2.0	20.0	949300	-17.4	25.3	3.3	23.5	-4.2
Waitakere - Kelston	House	3	1480	27	578 - 650	628	4.7	25.6	933000	-18.1	27.1	3.5	27.8	-1.2
Waitakere - Glen Eden	House	3	2464	51	550 - 623	580	-2.5	17.2	920950	-14.6	26.4	3.3	14.2	-7.3
Waitakere - Titirangi	House	2	654	15	483 - 588	545	9.0	26.7	946250	-21.6	27.2	3.0	39.0	-0.4
Waitakere - Titirangi	House	3	3972	36	593 - 680	630	-3.1	5.9	1095750	-16.8	25.8	3.0	16.6	-15.9
Waitakere - New Lynn	Flat	2	973	12	455 - 490	480	0.0	20.0	698700	-9.7	20.6	3.6	10.8	-0.5
Waitakere - New Lynn	House	2	428	48	485 - 580	545	5.8	23.9	914950	-16.2	26.2	3.1	26.3	-1.9
Waitakere - New Lynn	House	3	1748	66	590 - 650	630	5.4	18.9	1026600	-12.3	22.5	3.2	20.1	-3.0
Waitakere - Western Beaches/Rural	House	2	570	15	503 - 558	530	3.9	28.6	945600	-16.4	24.4	2.9	24.3	3.4
Waitakere - Western Beaches/Rural	House	3	1755	18	615 - 685	650	12.1	23.8	1070550	-12.6	25.4	3.2	28.2	-1.3
Auckland - Central East	Apt	1	4883	276	340 - 419	375	4.2	-6.3	359050	-3.9	-14.6	5.4	8.3	9.8
Auckland - Central East	Apt	2	2999	183	450 - 580	500	5.7	-5.7	621800	-9.2	-3.5	4.2	16.4	-2.2
Auckland - Parnell	Apt	1	256	30	450 - 521	488	-2.4	-2.4	601650	-8.8	23.8	4.2	7.0	-21.2
Auckland - Parnell	Apt	2	372	18	598 - 815	700	0.0	7.7	1121550	-7.8	11.4	3.2	8.5	-3.4
Auckland - Parnell	House	3	624	24	860 - 1300	1050	10.5	16.7	2635000	-13.9	2.9	2.1	28.4	13.3
Auckland - Herne Bay/St Marys	Apt	2	218	15	633 - 1019	673	-6.9	1.2	1138750	-9.7	13.9	3.1	3.1	-11.2
Auckland - Ponsonby/Freemans Bay	Apt	1	189	12	500 - 700	580	3.6	5.5	0	0.0	0.0	0.0	0.0	0.0
Auckland - Ponsonby/Freemans Bay	Flat	2	359	6	590 - 620	590	-2.5	5.9	1104350	-6.6	25.3	2.8	4.4	-15.5
Auckland - Ponsonby/Freemans Bay	House	3	1278	42	850 - 1538	935	-11.0	10.0	2643000	-10.3	36.2	1.8	-0.8	-19.2
Auckland - Pt Chevalier	House	3	1379	30	715 - 825	760	-5.0	2.4	1981250	-13.2	29.9	2.0	9.5	-21.1
Auckland - Grey Lynn/Arch Hill	Apt	1	366	18	523 - 549	538	1.5	14.5	595750	-9.4	37.3	4.7	12.1	-16.6
Auckland - Grey Lynn/Arch Hill	Apt	2	484	21	635 - 750	690	0.0	3.8	916300	-11.4	2.7	3.9	12.9	1.1
Auckland - Grey Lynn/Arch Hill	House	4	510	9	875 - 1000	913	-8.7	-7.8	2784200	-11.7	34.0	1.7	3.4	-31.2
Auckland - Westmere/Surrey Crescent	House	3	1167	27	708 - 905	800	-14.3	-5.5	2476350	-12.6	47.2	1.7	-1.9	-35.8
Auckland - Mt Eden	Flat	1	720	24	378 - 450	420	0.0	7.1	563600	-8.2	8.8	3.9	8.9	-1.6
Auckland - Mt Eden	Flat	2	802	27	475 - 550	490	-9.8	6.5	880150	-12.6	18.8	2.9	3.2	-10.3
Auckland - Mt Eden	House	3	969	18	615 - 773	655	-8.4	-10.3	2334400	-13.4	32.2	1.5	5.8	-32.1

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RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Auckland - Waterview/Avondale Heights	Flat	2	315	0	-	0	0.0	0.0	779650	-7.4	25.1	0.0	0.0	0.0
Auckland - Waterview/Avondale Heights	House	3	978	33	610 - 700	650	0.0	12.1	1270050	-7.2	32.6	2.7	7.8	-15.5
Auckland - Avondale	House	3	1728	30	596 - 680	650	3.2	18.2	1064200	-14.5	28.4	3.2	20.7	-7.9
Auckland - Blockhouse Bay/New Windsor	House	3	1667	48	600 - 650	640	1.6	10.3	1213600	-12.4	28.2	2.7	15.9	-13.9
Auckland - Mt Albert/Owairaka	Flat	2	785	24	450 - 530	515	-0.6	14.4	758400	-13.4	18.9	3.5	14.9	-3.7
Auckland - Mt Albert/Owairaka	House	3	1476	30	630 - 765	715	-0.7	10.0	1786300	-8.9	32.1	2.1	9.0	-16.7
Auckland - Mt Roskill/Wesley	House	3	829	24	580 - 690	640	-1.5	10.3	1163850	-10.1	21.8	2.9	9.5	-9.4
Auckland - St Lukes/Sandringham	Flat	2	871	21	508 - 550	520	4.0	13.0	755350	-12.4	15.1	3.6	18.7	-1.8
Auckland - St Lukes/Sandringham	House	3	1289	30	610 - 820	685	-0.7	5.4	1769650	-14.0	34.0	2.0	15.4	-21.4
Auckland - Epsom	Flat	2	714	18	519 - 629	558	14.3	16.3	1072600	-6.4	21.1	2.7	22.1	-4.0
Auckland - Three Kings	House	3	663	18	650 - 750	660	-4.1	4.8	1458700	-5.2	27.9	2.4	1.2	-18.1
Auckland - Royal Oak/One Tree Hill	House	2	327	21	590 - 650	620	0.0	10.7	1598150	-10.3	30.4	2.0	11.4	-15.1
Auckland - Royal Oak/One Tree Hill	House	3	1516	42	696 - 820	760	1.3	8.6	1876900	-9.7	35.0	2.1	12.2	-19.6
Auckland - Royal Oak/One Tree Hill	House	4	1230	33	840 - 1100	950	6.7	15.2	2378700	-10.8	22.9	2.1	19.7	-6.3
Auckland - Onehunga/Oranga/ Te Papapa	Flat	2	1726	24	520 - 558	545	3.8	14.3	815850	-11.3	21.3	3.5	17.0	-5.8
Auckland - Onehunga/Oranga/ Te Papapa	House	2	904	54	520 - 600	560	-0.9	12.0	1336850	-4.3	43.6	2.2	3.5	-22.0
Auckland - Onehunga/Oranga/ Te Papapa	House	3	2366	63	650 - 750	690	-0.7	11.3	1468950	-9.3	31.2	2.4	9.5	-15.2
Auckland - Remuera	Flat	2	437	9	533 - 584	580	3.6	5.5	1069750	-10.3	8.0	2.8	15.5	-2.3
Auckland - Remuera	House	3	1782	39	780 - 1000	880	8.6	7.3	2499700	-10.2	18.9	1.8	20.9	-9.7
Auckland - Remuera	House	4	2031	36	1000 - 1250	1150	4.5	17.3	3603900	-7.8	17.0	1.7	13.4	0.3
Auckland - Remuera South/ Meadowbank South	House	3	1320	27	718 - 880	775	1.3	12.3	1722950	-13.5	21.3	2.3	17.1	-7.4
Auckland - Penrose/Mt Wellington South	Flat	2	440	6	470 - 535	495	-2.0	15.1	705300	-9.9	23.5	3.6	8.8	-6.8
Auckland - Penrose/Mt Wellington South	House	3	1322	39	640 - 700	675	3.8	16.4	1243500	-25.6	42.5	2.8	39.7	-18.4
Auckland - Mission Bay/Orakei	House	3	1245	24	740 - 993	850	6.3	13.3	2118050	-9.4	21.9	2.1	17.2	-7.0
Auckland - St Helliers/Glendowie	House	3	1894	30	730 - 890	800	0.6	6.7	2067550	-14.0	27.5	2.0	17.1	-16.3
Auckland - St Helliers/Glendowie	House	4	1672	27	813 - 1100	950	-7.3	3.3	2557400	-13.7	6.4	1.9	7.5	-2.9
Auckland - Ellerslie	Flat	2	619	15	470 - 514	475	-13.6	6.7	788650	-9.2	20.5	3.1	-4.9	-11.4
Auckland - Ellerslie	House	3	1293	21	660 - 750	700	0.0	11.1	1364100	-13.6	23.5	2.7	15.7	-10.0
Auckland - Glen Innes/Pt England/ Wai O Taiki	House	3	1511	15	650 - 750	700	3.7	27.3	1297150	-17.1	33.8	2.8	25.2	-4.9
Auckland - Mt Wellington North	Flat	2	624	18	495 - 550	515	10.8	21.2	753550	-6.9	20.8	3.6	19.0	0.4
Auckland - Otahuhu	Flat	2	503	18	405 - 480	450	-2.2	14.8	513450	-9.2	24.6	4.6	7.7	-7.9
Auckland - Otahuhu	House	3	1049	18	593 - 630	610	1.7	15.1	988800	-5.8	43.5	3.2	7.9	-19.8
Auckland - Waiheke Island	House	2	1692	0	-	0	0.0	0.0	1527050	-5.9	46.1	0.0	0.0	0.0
Auckland - Waiheke Island	House	3	1965	9	709 - 943	803	10.8	30.6	1666550	-17.7	28.9	2.5	34.6	1.3
Auckland - Central West	Apt	1	4639	273	360 - 485	420	5.0	2.4	400550	-7.0	-0.5	5.5	12.9	2.9
Auckland - Central West	Apt	2	3960	270	450 - 585	520	4.0	2.0	595950	-0.4	1.0	4.5	4.4	0.9
Auckland - Central West	Apt	3	532	33	658 - 815	725	4.3	11.5	1019700	-2.7	7.0	3.7	7.2	4.2
Auckland - Lynfield	House	3	1467	45	608 - 684	650	4.8	14.0	1221650	-7.8	24.6	2.8	13.7	-8.5
Auckland - Newton/Grafton	Apt	1	895	69	400 - 510	450	12.5	12.5	375950	-8.3	-17.8	6.2	22.7	36.8
Auckland - Newton/Grafton	Apt	2	1033	63	465 - 625	570	-1.7	-4.2	589950	-8.4	-7.7	5.0	7.3	3.8
Auckland - Eden Terrace	Apt	2	589	24	555 - 650	600	0.8	7.1	741750	-7.1	15.9	4.2	8.5	-7.6
Auckland - Hillsborough	House	3	1508	42	650 - 735	680	7.1	15.3	1221500	-4.0	29.1	2.9	11.6	-10.7
Auckland - Meadowbank	House	3	769	18	750 - 890	825	0.2	5.8	1921500	-7.1	30.3	2.2	7.9	-18.8
Auckland - St Johns	Flat	2	346	6	505 - 545	525	5.4	16.7	900000	-9.9	21.1	3.0	17.0	-3.6
Auckland - Mt Wellington	Flat	2	346	9	495 - 525	505	0.0	20.2	718400	-12.0	18.8	3.7	0.0	1.2
Manukau - Mangere Bridge/Airport	House	3	1673	21	615 - 675	650	0.0	16.1	1170900	-11.0	34.2	2.9	12.4	-13.5
Manukau - Mangere	House	3	2327	24	610 - 678	650	2.4	25.0	967250	-10.9	45.8	3.5	14.8	-14.3
Manukau - Mangere	House	4	651	12	703 - 803	750	3.4	20.0	999600	-13.7	33.6	3.9	19.8	-10.2
Manukau - Otara	House	3	2220	30	558 - 673	595	-6.3	19.0	787650	-15.5	43.7	3.9	10.9	-17.2
Manukau - Papatoetoe North	Flat	2	623	9	464 - 528	485	5.4	12.8	621950	-13.5	13.5	4.1	21.9	-0.6
Manukau - Papatoetoe North	House	3	912	30	610 - 650	635	-2.3	20.5	911400	-12.0	28.8	3.6	11.0	-6.5

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RENTAL & SALES STATISTICS MAY 2023

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						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Manukau - Manukau Central	House	3	1263	21	600 - 680	650	4.8	22.6	853550	-10.4	28.2	4.0	17.0	-4.4
Manukau - Botony Downs	House	3	2373	39	660 - 726	680	0.0	13.3	1295200	-12.7	28.1	2.7	14.5	-11.5
Manukau - Botony Downs	House	4	2402	24	755 - 828	790	0.0	9.7	1548600	-10.3	25.6	2.7	11.5	-12.6
Manukau - Dannemora	House	3	1183	30	663 - 728	700	1.4	12.0	1302050	-12.0	27.9	2.8	15.2	-12.4
Manukau - Dannemora	House	4	2807	48	780 - 825	795	1.9	15.2	1418700	-11.3	23.6	2.9	14.9	-6.8
Manukau - Howick	House	2	197	27	520 - 568	550	-0.9	13.4	1162450	-11.8	36.1	2.5	12.4	-16.7
Manukau - Howick	House	3	1693	33	640 - 720	685	3.3	20.2	1285750	-12.9	28.7	2.8	18.6	-6.6
Manukau - Howick	House	4	1642	18	745 - 825	780	0.6	12.2	1594500	-13.1	22.1	2.5	15.9	-8.0
Manukau - Half Moon Bay/Farm Cove	House	3	1456	33	600 - 654	630	-1.6	16.7	1479900	-7.0	46.3	2.2	5.8	-20.2
Manukau - Highland Park	House	3	1928	42	620 - 680	650	4.8	18.2	1422550	-9.6	44.7	2.4	15.9	-18.3
Manukau - Highland Park	House	4	1016	27	748 - 828	785	3.3	18.9	1577400	-9.9	36.1	2.6	14.7	-12.6
Manukau - Pakuranga	Flat	2	559	9	513 - 535	520	0.0	19.5	777000	-16.0	20.7	3.5	19.1	-1.0
Manukau - Pakuranga	House	3	1646	48	595 - 695	645	4.0	15.2	1293050	-12.5	31.6	2.6	18.9	-12.5
Manukau - Manukau and Manurewa Heights	House	3	2369	36	630 - 700	680	0.0	17.2	994600	-15.3	16.8	3.6	18.1	0.4
Manukau - Manukau and Manurewa Heights	House	4	1921	30	705 - 800	750	0.0	15.4	1132150	-14.9	15.7	3.4	17.5	-0.2
Manukau - Wattle Downs/Conifer Grove	House	3	1504	27	588 - 680	615	-5.4	19.4	998650	-15.6	33.8	3.2	12.1	-10.8
Manukau - Manurewa North	Flat	2	843	15	480 - 513	495	-2.9	23.8	625650	-11.3	26.2	4.1	9.5	-2.0
Manukau - Manurewa North	House	2	847	39	491 - 558	523	3.6	20.2	683700	-16.7	26.4	4.0	24.3	-4.9
Manukau - Manurewa North	House	3	4254	135	590 - 670	630	1.6	27.3	818550	-11.6	32.8	4.0	14.9	-4.1
Manukau - Manurewa North	House	4	916	21	680 - 800	730	4.3	29.2	961200	-11.5	22.6	3.9	17.9	5.4
Manukau - Mangere East	House	3	1161	27	595 - 679	650	4.8	25.0	886000	-12.3	34.9	3.8	19.6	-7.4
Manukau - Papatoetoe South	Flat	2	1322	15	490 - 550	500	0.0	16.3	642350	-13.8	17.3	4.0	16.0	-0.9
Manukau - Papatoetoe South	House	3	988	27	611 - 700	650	0.0	19.3	901000	-11.6	20.3	3.8	13.2	-0.9
Manukau - Papatoetoe West	House	3	1049	18	630 - 650	640	1.6	18.5	880550	-12.8	26.4	3.8	16.5	-6.3
Manukau - Weymouth	House	3	1416	21	588 - 723	650	4.0	30.0	812550	-13.5	29.5	4.2	20.2	0.4
Manukau - Maraetai/Clevedon	House	3	1122	21	643 - 763	695	9.4	31.1	1201400	-13.1	24.5	3.0	25.9	5.4
Manukau - Maraetai/Clevedon	House	4	2394	27	798 - 950	855	6.9	26.7	1426050	-14.9	14.3	3.1	25.7	10.9
Papakura - Takanini/Ardmore	House	3	1643	54	600 - 660	640	6.7	29.3	930150	-5.7	33.5	3.6	13.2	-3.1
Papakura - Takanini/Ardmore	House	4	1319	45	700 - 769	750	4.2	21.0	1107950	-9.8	35.6	3.5	15.5	-10.8
Papakura - Papakura/Drury/Karaka	Flat	2	755	18	440 - 500	460	-1.1	15.0	655700	-7.2	34.5	3.6	6.6	-14.5
Papakura - Papakura/Drury/Karaka	House	2	865	42	470 - 550	500	4.2	22.0	749150	-9.3	39.5	3.5	14.9	-12.6
Papakura - Papakura/Drury/Karaka	House	3	4557	96	580 - 650	610	0.0	27.1	885700	-10.5	38.9	3.6	11.8	-8.5
Papakura - Papakura/Drury/Karaka	House	4	2325	36	695 - 800	750	5.6	28.9	1180100	-11.9	38.9	3.3	19.9	-7.2
Franklin - Pukekohe/Tuakau	House	2	569	15	450 - 513	460	-2.1	21.1	757450	-3.6	43.3	3.2	1.6	-15.6
Franklin - Pukekohe/Tuakau	House	3	4337	72	560 - 645	600	5.3	30.4	881850	-11.0	34.0	3.5	18.3	-2.6
Franklin - Pukekohe/Tuakau	House	4	2741	45	678 - 750	700	6.1	29.6	1085600	-8.4	31.4	3.4	15.8	-1.4
Franklin - Waiuku	House	3	1640	12	538 - 598	573	4.2	23.2	857300	0.7	49.4	3.5	3.4	-17.5
Franklin - Rural Franklin	House	3	1886	27	630 - 650	630	6.8	28.6	867250	-10.5	41.7	3.8	19.3	-9.3
Franklin - Rural Franklin	House	4	1609	24	678 - 850	720	10.8	25.2	1085750	-15.5	33.3	3.4	31.1	-6.1

WAIKATO / BAY OF PLENTY

Thames/Coromandel - Entire District	House	2	3951	15	438 - 503	475	18.8	48.4	983500	-9.0	59.4	2.5	30.6	-6.9
Thames/Coromandel - Entire District	House	3	9454	36	500 - 600	550	10.0	50.7	1128050	-5.9	69.0	2.5	16.9	-10.8
Hauraki - Entire District	House	3	3310	39	453 - 568	523	18.9	49.4	628450	-2.3	73.0	4.3	21.7	-13.6
Waikato - Huntly	House	3	1528	15	435 - 550	490	8.9	46.3	520550	-5.6	51.5	4.9	15.4	-3.5
Waikato - Rural Waikato District	House	2	943	18	325 - 480	425	-9.6	25.0	724200	-21.3	61.9	3.1	14.9	-22.8
Waikato - Rural Waikato District	House	3	2973	51	498 - 610	570	8.0	58.3	770700	-15.3	57.4	3.8	27.4	0.6
Waikato - Rural Waikato District	House	4	1050	21	600 - 650	650	8.3	44.8	918450	-8.9	43.0	3.7	18.9	1.3
Matamata/Piako - Entire District	Flat	2	520	0	-	0	0.0	0.0	523450	-2.3	61.6	0.0	0.0	0.0
Matamata/Piako - Entire District	House	2	779	18	400 - 483	450	16.9	50.0	599500	1.6	70.6	3.9	15.0	-12.1
Matamata/Piako - Entire District	House	3	4781	54	470 - 550	500	4.2	38.9	696500	2.1	53.9	3.7	2.0	-9.8
Matamata/Piako - Entire District	House	4	1870	15	525 - 650	600	11.1	50.0	871550	0.4	44.1	3.6	10.6	4.1
Hamilton - Te Kowhai/St Andrews/ Queenwood	House	2	726	36	496 - 550	520	4.0	40.5	689300	-5.8	50.9	3.9	10.5	-6.9
Hamilton - Te Kowhai/St Andrews/ Queenwood	House	3	4804	114	550 - 620	580	3.6	38.1	873200	-6.8	46.8	3.5	11.1	-6.0

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						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Hamilton - Te Kowhai/St Andrews/ Queenwood	House	4	3325	48	640 - 720	680	6.3	28.3	1082950	-10.9	45.3	3.3	19.3	-11.7
Hamilton - Flagstaff/Rototuna	House	3	1746	51	600 - 650	628	7.4	29.5	914800	-7.6	43.6	3.6	16.1	-9.8
Hamilton - Flagstaff/Rototuna	House	4	4053	69	680 - 720	695	2.5	31.1	1028600	-10.4	34.2	3.5	14.4	-2.3
Hamilton - Fairfield/Fairview Downs	House	2	764	51	466 - 540	500	8.7	42.9	608750	-5.3	61.9	4.3	14.8	-11.8
Hamilton - Fairfield/Fairview Downs	House	3	3047	69	523 - 590	550	5.8	37.5	677150	-9.7	50.4	4.2	17.2	-8.6
Hamilton - Fairfield/Fairview Downs	House	4	718	24	584 - 690	645	9.7	41.8	874150	-0.2	59.1	3.8	10.0	-10.9
Hamilton - Hamilton East/University	Flat	2	776	39	380 - 428	393	9.2	37.9	528750	-4.4	43.1	3.9	14.2	-3.6
Hamilton - Hamilton East/University	House	2	660	66	400 - 490	460	4.5	27.8	773250	4.4	73.6	3.1	0.1	-26.4
Hamilton - Hamilton East/University	House	3	2001	102	510 - 600	560	5.7	36.6	779900	-9.0	39.7	3.7	16.1	-2.2
Hamilton - Hamilton East/University	House	4	908	72	588 - 650	603	0.5	25.6	936100	-5.5	45.4	3.3	6.4	-13.6
Hamilton - Hillcrest/Silverdale/ Tamahere	House	3	1613	63	549 - 600	570	7.5	35.7	754850	-9.3	37.6	3.9	18.5	-1.3
Hamilton - Dinsdale North/Nawton	House	3	3337	54	520 - 568	550	3.8	37.5	712250	-10.3	46.5	4.0	15.7	-6.1
Hamilton - Dinsdale South/Frankton	House	3	1611	48	513 - 570	550	3.8	37.5	665550	-5.0	54.2	4.3	9.2	-10.8
Hamilton - Hamilton Central/Maeroa/ Frankton Junction	Flat	2	470	21	350 - 430	390	4.0	39.3	525700	-1.9	55.4	3.9	6.0	-10.4
Hamilton - Hamilton Central/Maeroa/ Frankton Junction	House	3	1013	45	550 - 600	580	5.5	36.5	767450	-9.9	54.5	3.9	17.1	-11.7
Hamilton - Hamilton Central/Maeroa/ Frankton Junction	House	4	299	15	600 - 699	655	12.9	31.0	0	0.0	0.0	0.0	0.0	0.0
Hamilton - Deanwell/Melville/Fitzroy	Flat	2	515	12	413 - 481	445	4.7	39.1	496000	-4.2	49.6	4.7	9.3	-7.0
Hamilton - Deanwell/Melville/Fitzroy	House	2	611	51	450 - 520	488	3.8	35.6	621050	-4.6	62.2	4.1	8.8	-16.4
Hamilton - Deanwell/Melville/Fitzroy	House	3	3478	102	520 - 583	550	3.2	37.5	688800	-13.5	34.7	4.2	19.2	2.1
Hamilton - Deanwell/Melville/Fitzroy	House	4	996	24	580 - 700	650	8.3	41.3	887800	1.6	56.5	3.8	6.6	-9.7
Waipa - Cambridge/Leamington	House	2	624	24	485 - 560	500	6.4	35.1	785600	5.5	71.4	3.3	0.9	-21.2
Waipa - Cambridge/Leamington	House	3	2718	42	590 - 660	610	6.1	41.2	864050	-5.5	53.6	3.7	12.3	-8.1
Waipa - Cambridge/Leamington	House	4	1341	12	640 - 750	700	-10.3	29.6	1051300	-7.7	43.5	3.5	-2.8	-9.7
Waipa - Te Awamutu	House	3	2512	36	530 - 586	550	1.9	44.7	692550	-5.1	51.8	4.1	7.3	-4.6
Waipa - Rural Waipa	House	3	1596	21	515 - 620	560	4.7	40.0	756100	-16.2	59.8	3.9	24.9	-12.4
Waipa - Rural Waipa	House	4	1966	24	655 - 750	700	0.0	33.3	1162650	-9.6	64.9	3.1	10.6	-19.1
Otorohanga/Waitomo - Both Districts	House	3	2044	21	375 - 480	400	8.1	53.8	455700	-4.1	79.1	4.6	12.7	-14.1
South Waikato - Entire District	House	3	4486	69	420 - 494	450	4.7	73.1	449900	-3.5	91.4	5.2	8.5	-9.6
South Waikato - Entire District	House	4	904	12	488 - 535	510	18.6	70.0	547600	-2.3	69.4	4.8	21.4	0.4
Taupo - Taupo Central/Tauhara	House	2	581	15	390 - 460	450	1.1	45.2	581550	-5.6	71.0	4.0	7.1	-15.1
Taupo - Taupo Central/Tauhara	House	3	1552	27	520 - 608	550	11.1	57.1	679950	-8.4	71.1	4.2	21.3	-8.1
Taupo - Taupo West/Taupo South	House	3	3491	33	545 - 650	578	9.1	37.0	882500	-6.3	64.4	3.4	16.3	-16.7
Taupo - Taupo West/Taupo South	House	4	1890	9	600 - 763	700	16.7	49.9	1110400	-6.1	66.2	3.3	24.2	-9.8
Taupo - Rural Taupo	House	3	3254	33	418 - 513	450	8.4	40.6	707850	-3.4	82.8	3.3	12.2	-23.1
Western Bay of Plenty - Kaimai/Te Puke	House	2	669	24	445 - 553	500	0.0	42.9	771400	-6.1	57.5	3.4	6.5	-9.3
Western Bay of Plenty - Kaimai/Te Puke	House	3	2914	42	580 - 680	650	4.0	64.6	895300	-11.4	65.5	3.8	17.3	-0.6
Western Bay of Plenty - Waihi Beach/ Omokoroa	House	3	3631	30	525 - 600	580	3.6	38.1	1020850	-8.3	58.3	3.0	13.0	-12.8
Western Bay of Plenty - Waihi Beach/ Omokoroa	House	4	1940	12	600 - 650	633	-2.6	40.7	1275050	-8.3	54.9	2.6	6.2	-9.2
Tauranga - Mt Maunganui	Apt	2	617	12	555 - 690	570	-9.2	3.6	0	0.0	0.0	0.0	0.0	0.0
Tauranga - Mt Maunganui	Flat	2	765	9	540 - 573	548	9.6	35.3	935150	-4.8	58.0	3.0	15.1	-14.4
Tauranga - Mt Maunganui	House	2	723	27	550 - 608	575	4.5	27.8	1225450	-9.1	63.1	2.4	15.0	-21.7
Tauranga - Mt Maunganui	House	3	4115	75	613 - 700	670	3.9	34.0	1273850	-12.1	60.8	2.7	18.2	-16.7
Tauranga - Mt Maunganui	House	4	1392	9	720 - 880	850	0.0	51.8	2056350	-10.9	92.5	2.1	12.3	-21.1
Tauranga - Papamoa Beach	House	2	744	12	555 - 600	575	9.9	33.7	837000	-13.6	62.7	3.6	27.2	-17.8
Tauranga - Papamoa Beach	House	3	5499	78	650 - 720	675	5.5	35.0	1022500	-12.9	54.2	3.4	21.1	-12.4
Tauranga - Papamoa Beach	House	4	3429	30	713 - 784	750	7.1	36.4	1211600	-12.3	53.3	3.2	22.2	-11.0
Tauranga - Pyes Pa/Hairini/ Welcome Bay	House	3	4538	51	590 - 680	650	3.2	36.3	877250	-6.2	54.7	3.9	10.0	-11.9
Tauranga - Pyes Pa/Hairini/ Welcome Bay	House	4	2887	30	671 - 758	720	0.0	33.3	1055700	-8.7	43.8	3.5	9.6	-7.3
Tauranga - Tauranga Central/Greerton	Flat	2	993	12	458 - 500	480	-3.6	29.0	614050	-10.3	33.3	4.1	7.4	-3.2
Tauranga - Tauranga Central/Greerton	House	2	1423	48	520 - 573	530	1.9	39.5	696750	-7.4	48.3	4.0	10.0	-6.0
Tauranga - Tauranga Central/Greerton	House	3	4295	78	585 - 650	625	5.0	42.0	755700	-9.2	41.8	4.3	15.7	0.1

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RENTAL & SALES STATISTICS MAY 2023

CoreLogic
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RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Tauranga - Tauranga Central/Greerton	House	4	1177	15	633 - 814	670	-0.4	39.6	972750	-13.9	46.7	3.6	15.6	-4.9
Tauranga - Bethlehem/Otumoetai	Flat	2	738	0	-	0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0
Tauranga - Bethlehem/Otumoetai	House	2	877	24	533 - 600	550	5.8	34.1	808400	-5.2	46.8	3.5	11.5	-8.6
Tauranga - Bethlehem/Otumoetai	House	3	5050	81	600 - 675	630	1.1	37.0	957100	-14.1	44.1	3.4	17.8	-4.9
Tauranga - Bethlehem/Otumoetai	House	4	3039	21	700 - 795	750	10.3	41.5	1271150	-6.6	58.0	3.1	18.1	-10.4
Rotorua - Holdens Bay/Owhata/ Ngapuna	House	3	2023	21	550 - 668	595	6.3	50.6	648550	-6.6	56.7	4.8	13.7	-3.9
Rotorua - Kuirau/Hillcrest/Glenholme	Flat	2	461	21	378 - 443	420	2.4	57.3	0	0.0	0.0	0.0	0.0	0.0
Rotorua - Kuirau/Hillcrest/Glenholme	House	2	784	48	430 - 495	460	2.2	53.3	530600	-11.1	58.7	4.5	15.0	-3.4
Rotorua - Kuirau/Hillcrest/Glenholme	House	3	1959	30	550 - 605	570	3.6	54.1	620100	-8.9	54.5	4.8	13.8	-0.3
Rotorua - Pukehangi South/ Springfield	House	3	2119	27	575 - 680	610	5.2	55.6	679400	-11.1	51.2	4.7	18.4	2.9
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	2	999	21	425 - 468	450	0.0	60.7	450900	-20.6	61.8	5.2	25.9	-0.7
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	3	4623	60	548 - 596	563	8.3	60.9	535650	-9.3	61.5	5.5	19.3	-0.4
Rotorua - Ngongotaha/Pleasant Heights/Koutu	House	4	964	12	578 - 695	610	4.3	52.5	707050	-11.1	49.0	4.5	17.2	2.4
Whakatane - Whakatane	Flat	2	483	6	365 - 425	390	-7.1	39.3	514950	-7.1	70.4	3.9	0.0	-18.3
Whakatane - Whakatane	House	2	785	9	410 - 480	450	2.7	39.8	638500	-17.2	63.0	3.7	24.1	-14.2
Whakatane - Whakatane	House	3	3937	33	503 - 619	545	0.9	43.4	789200	-6.1	64.6	3.6	7.5	-12.9
Whakatane - Whakatane	House	4	1440	15	580 - 650	585	-2.5	30.0	1062650	-13.3	61.2	2.9	12.4	-19.4
Kawerau - Entire District	House	3	1881	15	410 - 475	450	18.4	73.1	424450	-1.5	90.8	5.5	20.2	-9.3
Opotiki - Entire District	House	3	1288	15	400 - 463	425	9.5	45.5	591100	2.9	88.2	3.7	6.4	-22.6

HAWKES BAY / GISBORNE

Gisborne - Gisborne	Flat	2	500	9	395 - 480	430	1.2	72.0	497650	0.7	122.1	4.5	0.5	-22.6
Gisborne - Gisborne	House	2	1245	24	480 - 604	510	13.3	70.0	526250	-4.1	119.1	5.0	18.2	-22.4
Gisborne - Gisborne	House	3	5825	45	500 - 650	590	5.4	84.4	599350	-0.5	127.4	5.1	5.9	-18.9
Gisborne - Gisborne	House	4	1739	15	665 - 825	700	16.7	84.2	832350	-3.1	102.1	4.4	20.4	-8.8
Wairoa - Entire District	House	3	1580	9	350 - 545	380	26.7	72.7	0	0.0	0.0	0.0	0.0	0.0
Hastings - Havelock North	Flat	2	338	6	490 - 525	500	0.0	38.9	692600	-6.5	88.2	3.8	0.0	-26.2
Hastings - Havelock North	House	3	2373	39	620 - 695	650	0.0	36.3	939950	-15.9	54.6	3.6	18.9	-11.9
Hastings - Flaxmere	House	3	2120	24	455 - 540	500	4.2	56.3	516650	-6.9	124.6	5.0	11.8	-30.4
Hastings - Hastings/Clive	Flat	2	1649	24	400 - 460	430	4.9	43.3	491150	-14.6	70.4	4.6	22.8	-15.9
Hastings - Hastings/Clive	House	2	1158	48	468 - 530	500	6.4	51.5	613200	-11.9	72.3	4.2	20.7	-12.1
Hastings - Hastings/Clive	House	3	6527	66	550 - 643	600	2.6	57.9	673300	-12.6	65.2	4.6	17.4	-4.4
Hastings - Hastings/Clive	House	4	1925	18	645 - 800	750	6.4	66.7	879750	-12.0	59.6	4.4	20.9	4.5
Napier - Napier	Flat	2	1067	9	435 - 510	450	7.1	51.5	510800	-14.5	68.6	4.6	25.3	-10.1
Napier - Napier	House	2	1517	42	440 - 550	490	2.1	48.5	666000	-7.8	66.2	3.8	10.8	-10.7
Napier - Napier	House	3	7787	54	580 - 650	615	7.9	53.8	724200	-11.3	56.4	4.4	21.6	-1.7
Napier - Napier	House	4	2306	9	685 - 861	763	14.7	55.7	1008100	-8.7	54.9	3.9	25.7	0.5
Napier - Taradale/Awatoto	House	2	701	12	503 - 569	538	12.1	53.7	661600	-12.6	53.7	4.2	28.3	0.0
Napier - Taradale/Awatoto	House	3	4027	51	579 - 650	610	-3.2	41.9	854700	-7.7	63.2	3.7	4.9	-13.1
Central Hawkes Bay - Entire District	House	3	2183	15	400 - 500	470	14.6	80.8	600600	-7.9	93.4	4.1	24.5	-6.5

TARANAKI

New Plymouth - New Plymouth Central/Moturoa	Flat	2	478	6	350 - 420	390	4.0	50.0	465250	-4.0	68.7	4.4	8.3	-11.1
New Plymouth - New Plymouth Central/Moturoa	House	2	473	24	438 - 550	480	6.7	47.7	571150	-3.6	74.0	4.4	10.7	-15.1
New Plymouth - New Plymouth Central/Moturoa	House	3	2493	30	535 - 600	550	2.8	39.2	634050	0.2	43.4	4.5	2.6	-2.9
New Plymouth - Outer New Plymouth	Flat	2	1318	12	396 - 453	450	9.0	60.7	495900	-3.3	58.0	4.7	12.7	1.7
New Plymouth - Outer New Plymouth	House	2	1172	42	421 - 494	450	2.3	32.4	654750	-4.1	63.9	3.6	6.7	-19.3
New Plymouth - Outer New Plymouth	House	3	7695	114	550 - 680	600	9.1	50.0	715500	-4.9	56.0	4.4	14.7	-3.8
New Plymouth - Outer New Plymouth	House	4	4167	33	640 - 733	700	2.9	42.3	934100	-6.3	50.8	3.9	9.9	-5.7
New Plymouth - Waitara/Inglewood	House	3	2290	21	460 - 520	500	11.1	56.3	500550	-6.8	67.9	5.2	19.2	-6.9
New Plymouth - Rural New Plymouth	House	3	672	12	491 - 613	518	3.6	57.0	657700	-4.1	65.0	4.1	8.1	-4.9
Stratford - Entire District	House	3	1447	12	420 - 520	470	10.6	62.1	479150	-0.8	100.1	5.1	11.4	-19.0
South Taranaki - Hawera	House	3	2382	33	450 - 543	495	8.8	76.8	453000	-5.7	85.7	5.7	15.4	-4.8
South Taranaki - Rural South Taranaki	House	3	2162	18	380 - 450	400	0.0	73.9	390800	6.0	121.0	5.3	-5.7	-21.3

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RENTAL & SALES STATISTICS MAY 2023

RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Ruapehu - Entire District	House	3	2665	30	360 - 420	380	8.6	72.7	393950	-7.8	115.9	5.0	17.8	-20.0
Ruapehu - Entire District	House	4	592	6	386 - 449	433	0.0	80.4	500300	-2.9	100.6	4.5	0.0	-10.1
MANAWATU / WHANGANUI														
Whanganui - Entire District	Flat	2	859	12	365 - 418	380	7.0	72.7	352600	-11.7	120.2	5.6	21.2	-21.5
Whanganui - Entire District	House	2	2263	48	380 - 450	420	13.5	68.0	439200	-6.9	121.1	5.0	22.0	-24.0
Whanganui - Entire District	House	3	8721	102	460 - 560	500	8.7	68.9	516850	-15.0	101.1	5.0	27.9	-16.0
Whanganui - Entire District	House	4	2702	21	558 - 650	600	9.1	71.4	642350	-12.1	95.7	4.9	24.1	-12.4
Rangitikei - Entire District	House	3	2493	27	435 - 495	450	0.0	73.1	440500	-6.6	119.2	5.3	7.0	-21.0
Manawatu - Entire District	House	3	4396	42	545 - 590	560	6.7	69.7	581550	-6.7	86.7	5.0	14.4	-9.1
Manawatu - Entire District	House	4	1960	12	620 - 700	670	17.5	86.1	765750	-13.6	75.2	4.5	36.0	6.2
Palmerston North - Highbury/ Westbrook	House	3	1557	15	520 - 564	545	9.0	60.3	528350	-13.1	71.6	5.4	25.5	-6.6
Palmerston North - Takaro/Cloverlea/ Milson	House	3	2671	48	538 - 593	560	1.8	57.7	597800	-12.1	71.4	4.9	15.9	-7.9
Palmerston North - Hospital/ Papaeoia	Flat	2	308	18	400 - 420	420	10.5	82.6	0	0.0	0.0	0.0	0.0	0.0
Palmerston North - Kelvin Grove/ Roslyn	House	3	2108	39	520 - 593	550	6.8	56.3	582200	-15.1	65.0	4.9	25.7	-5.3
Palmerston North - Awapuni South/ Westend	House	3	1240	15	550 - 620	575	12.7	47.4	656400	-11.4	74.4	4.6	27.3	-15.5
Palmerston North - Terrace End/ Hokowhitu East	House	3	1481	39	550 - 618	580	7.4	61.1	646400	-12.7	66.3	4.7	23.1	-3.1
Palmerston North - Hokowhitu West and Lagoon	Flat	2	223	6	370 - 400	385	-3.8	42.6	469050	-14.2	58.4	4.3	12.2	-10.0
Tararua - Entire District	House	3	2722	33	400 - 450	430	7.5	87.0	423550	-7.9	121.5	5.3	16.7	-15.6
Horowhenua - Entire District	Flat	2	856	9	400 - 420	410	10.8	70.8	436200	-4.5	90.2	4.9	16.1	-10.2
Horowhenua - Entire District	House	2	2040	57	400 - 460	425	3.7	63.5	507150	-19.8	83.9	4.4	29.3	-11.1
Horowhenua - Entire District	House	3	6468	78	480 - 548	510	6.3	66.1	562450	-12.6	71.3	4.7	21.6	-3.0
Horowhenua - Entire District	House	4	1979	15	560 - 598	585	-3.3	53.1	773200	-13.5	56.3	3.9	11.8	-2.0
WELLINGTON														
Kapiti Coast - Waikanae/Otaki	House	2	1497	24	465 - 550	520	6.1	50.7	701400	-14.9	55.5	3.9	24.7	-3.1
Kapiti Coast - Waikanae/Otaki	House	3	4431	42	555 - 680	630	3.3	53.7	918750	-7.2	63.9	3.6	11.3	-6.3
Kapiti Coast - Paraparaumu/Raumati	House	2	1395	27	490 - 550	515	3.0	41.1	771850	-17.2	58.8	3.5	24.3	-11.1
Kapiti Coast - Paraparaumu/Raumati	House	3	5164	45	580 - 664	610	-3.2	41.9	875250	-17.2	56.6	3.6	16.9	-9.4
Kapiti Coast - Paraparaumu/Raumati	House	4	2649	21	683 - 800	750	2.7	37.6	1012750	-17.4	48.5	3.9	24.4	-7.4
Porirua - Paremata/Mana/Pukerua Bay	House	3	1403	9	650 - 720	700	0.0	27.3	909800	-15.4	48.5	4.0	18.2	-14.3
Porirua - Papakowhai/Whitby/ Pauatahanui	House	3	2316	18	668 - 786	710	-4.1	43.4	862100	-16.9	52.2	4.3	15.4	-5.7
Porirua - Papakowhai/Whitby/ Pauatahanui	House	4	2748	27	793 - 878	820	2.5	23.9	1040500	-14.2	41.0	4.1	19.4	-12.1
Porirua - Titahi Bay/Onepoto/Elsdon	House	3	2004	27	570 - 680	636	-2.2	47.9	715700	-19.0	54.7	4.6	20.8	-4.4
Porirua - Porirua East/Waitangirua	House	3	2420	27	550 - 600	570	4.6	44.3	601650	-19.0	65.4	4.9	29.2	-12.7
Upper Hutt - Trentham North/ Wallaceville	Flat	2	629	9	470 - 565	503	4.8	54.8	505800	-22.2	67.8	5.2	34.7	-7.8
Upper Hutt - Heretaunga/ Silverstream	House	3	1628	18	610 - 748	700	0.0	42.9	881450	-12.5	60.8	4.1	14.3	-11.1
Upper Hutt - Trentham West/ Eldersley/Clouston Park	Flat	2	673	12	428 - 480	465	-3.7	55.0	524200	-18.3	69.3	4.6	17.8	-8.5
Upper Hutt - Trentham West/ Eldersley/Clouston Park	House	3	2594	27	598 - 660	650	-4.8	42.9	731400	-20.2	50.5	4.6	19.2	-5.1
Upper Hutt - Totara Park/Maoribank/ Te Marua	House	3	2172	15	643 - 679	655	-0.8	45.6	718950	-15.0	55.7	4.7	16.7	-6.5
Lower Hutt - Stokes Valley	House	3	1929	30	600 - 660	625	-5.3	48.8	635300	-24.0	59.4	5.1	24.6	-6.7
Lower Hutt - Western Hills/Haywards	House	3	2399	30	620 - 743	650	-0.8	23.8	899050	-15.7	55.6	3.8	17.7	-20.5
Lower Hutt - Wainuiomata	House	3	4018	51	580 - 650	618	3.0	62.6	620450	-18.9	76.5	5.2	27.0	-7.9
Lower Hutt - Taita/Naenae	House	3	2266	27	600 - 658	640	8.8	48.8	667650	-20.6	58.2	5.0	37.0	-5.9
Lower Hutt - Epuni/Avalon	House	2	491	33	540 - 650	595	6.6	41.7	740700	-15.6	46.0	4.2	26.3	-3.0
Wellington - Johnsonville/Newlands	Flat	2	1072	9	493 - 546	523	4.6	26.0	629150	-18.0	46.5	4.3	27.6	-14.0
Wellington - Johnsonville/Newlands	House	2	466	39	526 - 639	583	2.3	30.4	790250	-16.7	41.0	3.8	22.8	-7.5
Wellington - Johnsonville/Newlands	House	3	4882	132	650 - 743	690	-0.4	25.5	842550	-20.3	30.0	4.3	24.9	-3.5
Wellington - Johnsonville/Newlands	House	4	2930	36	725 - 865	800	-5.9	16.8	1073950	-18.2	39.9	3.9	15.0	-16.5

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RENTAL & SALES STATISTICS MAY 2023

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RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Wellington - Tawa/Grenada North	House	3	1888	48	650 - 720	680	4.6	23.6	838050	-15.6	48.1	4.2	23.9	-16.5
Wellington - Tawa/Grenada North	House	4	1522	12	744 - 835	773	3.1	40.5	932350	-21.5	35.0	4.3	31.3	4.1
Wellington - Ngaio/Kaiwharawhara/ Wilton	Flat	2	380	6	505 - 610	510	-7.3	21.4	628250	-20.7	39.5	4.2	16.9	-13.0
Wellington - Ngaio/Kaiwharawhara/ Wilton	House	3	1580	42	675 - 750	720	-1.4	23.1	997100	-25.6	34.1	3.8	32.6	-8.2
Wellington - Wadestown/Thorndon	Apt	1	389	36	340 - 563	500	0.0	49.3	368700	-17.2	23.0	7.1	20.8	21.3
Wellington - Wadestown/Thorndon	Apt	2	312	21	600 - 720	640	-1.5	11.3	620700	-14.3	6.6	5.4	15.0	4.4
Wellington - Wadestown/Thorndon	House	3	586	27	748 - 921	850	-8.1	17.2	1247750	-18.0	28.0	3.5	12.0	-8.4
Wellington - Lambton	Apt	1	873	57	354 - 500	443	0.7	13.6	301400	-10.1	16.8	7.6	12.0	-2.7
Wellington - Lambton	Apt	2	849	51	593 - 709	630	6.8	14.5	541650	-17.1	19.6	6.0	28.8	-4.3
Wellington - Te Aro	Apt	1	1210	168	389 - 530	450	0.0	13.9	421100	-14.6	20.2	5.6	17.2	-5.2
Wellington - Te Aro	Apt	2	1914	93	550 - 705	633	-4.1	15.1	639050	-18.8	19.0	5.2	18.1	-3.3
Wellington - Mt Victoria/Roseneath	Apt	2	390	30	578 - 678	600	-4.8	12.1	0	0.0	0.0	0.0	0.0	0.0
Wellington - Mt Victoria/Roseneath	House	3	409	21	808 - 950	900	5.9	23.3	1480850	-17.5	17.0	3.2	28.3	5.3
Wellington - Hataitai	Flat	2	225	15	533 - 638	590	7.3	34.1	638250	-19.0	37.7	4.8	32.5	-2.6
Wellington - Vogeltown/ Berhampore/Newtown	Flat	2	394	24	513 - 591	555	2.8	29.1	585550	-16.4	39.2	4.9	23.0	-7.3
Wellington - Vogeltown/ Berhampore/Newtown	House	2	463	24	585 - 690	650	3.5	30.8	903900	-19.3	30.1	3.7	28.3	0.5
Wellington - Vogeltown/ Berhampore/Newtown	House	3	1199	54	730 - 820	780	-1.3	16.9	1058700	-18.9	32.3	3.8	21.7	-11.6
Wellington - Island Bay/Melrose	House	3	1518	39	733 - 850	790	6.8	21.5	1094650	-22.1	34.4	3.8	37.0	-9.6
Wellington - Miramar/Strathmore	House	2	439	18	580 - 680	610	1.7	13.6	887500	-21.1	34.5	3.6	28.9	-15.6
Wellington - Miramar/Strathmore	House	3	2051	39	720 - 829	790	3.3	21.5	1017100	-21.6	34.7	4.0	31.8	-9.8
Masterton - Entire District	House	2	1111	24	400 - 485	450	12.5	60.7	504150	-19.2	71.2	4.6	39.3	-6.1
Masterton - Entire District	House	3	4730	60	500 - 575	540	5.9	63.6	560350	-16.5	62.7	5.0	26.8	0.6
Carterton/South Wairarapa - Both Districts	House	2	852	12	430 - 500	480	2.1	65.5	608600	-13.6	69.5	4.1	18.2	-2.3
Carterton/South Wairarapa - Both Districts	House	3	3601	27	540 - 580	550	0.9	57.1	740200	-10.3	92.1	3.9	12.5	-18.2

NELSON / TASMAN

Tasman - Richmond/Wakefield/ Brightwater/Mapua	House	3	3791	36	548 - 603	570	1.8	29.5	796300	-6.4	37.8	3.7	8.8	-6.0
Tasman - Richmond/Wakefield/ Brightwater/Mapua	House	4	2132	18	653 - 700	693	7.4	35.9	967400	-9.5	33.8	3.7	18.7	1.6
Tasman - Motueka/Rural Tasman	House	2	1097	15	405 - 505	443	3.0	59.9	664050	-5.7	36.0	3.5	9.3	17.6
Tasman - Motueka/Rural Tasman	House	3	3877	27	483 - 560	550	14.6	44.7	703850	-10.8	42.4	4.1	28.5	1.7
Nelson - Stoke/Nayland/Tahunanui	Flat	2	713	9	405 - 455	435	0.0	38.1	488600	-9.1	43.6	4.6	0.0	-3.8
Nelson - Stoke/Nayland/Tahunanui	House	2	1030	30	460 - 529	483	0.6	33.4	623850	-6.1	40.7	4.0	7.1	-5.2
Nelson - Stoke/Nayland/Tahunanui	House	3	3970	48	550 - 638	580	9.4	38.1	728600	-6.9	37.9	4.1	17.5	0.1
Nelson - Port Hills/Tahuna Hills	House	3	1320	15	518 - 634	555	0.9	32.1	828950	-4.5	17.0	3.5	5.7	12.9
Nelson - Nelson Central/Nelson North	Flat	2	607	12	430 - 480	450	12.5	32.4	502550	-12.3	39.3	4.7	28.3	-5.0
Nelson - Nelson Central/Nelson North	House	2	1088	24	455 - 510	490	2.1	30.0	643750	-11.2	38.7	4.0	14.9	-6.3
Nelson - Nelson Central/Nelson North	House	3	3441	54	535 - 640	580	1.8	32.7	770400	-11.2	33.5	3.9	14.6	-0.6
Nelson - Nelson Central/Nelson North	House	4	1398	15	655 - 773	690	15.0	38.0	1022850	-9.7	34.1	3.5	27.4	2.9
Marlborough - Sounds/Rural Marlborough	House	3	2704	18	490 - 550	520	13.0	48.6	755350	-5.8	71.1	3.6	20.0	-13.2
Marlborough - Blenheim Central	Flat	2	855	12	383 - 425	420	5.0	61.5	460550	-2.6	52.9	4.7	7.8	5.6
Marlborough - Blenheim Central	House	2	659	21	428 - 479	450	4.7	42.0	526350	-7.0	57.9	4.4	12.6	-10.1
Marlborough - Blenheim Central	House	3	3201	33	518 - 585	550	7.8	42.9	600700	-5.6	53.2	4.8	14.3	-6.8
Marlborough - Blenheim Outer/ Renwick	House	3	2737	30	390 - 620	550	10.0	41.0	698500	-2.1	52.5	4.1	12.4	-7.6
Kaikoura/Hurunui - Both Districts	House	3	2689	18	400 - 500	420	-2.3	29.2	612600	7.0	55.3	3.6	-8.7	-16.8
Buller - Entire District	House	3	2105	18	350 - 420	395	12.9	79.5	346700	12.4	86.5	5.9	0.4	-3.8
Grey - Entire District	House	3	2588	15	375 - 475	400	3.1	53.8	355800	10.4	71.3	5.8	-6.6	-10.2

WEST COAST

Westland - Entire District	House	3	1394	6	463 - 500	500	25.0	57.2	383150	-5.8	57.6	6.8	32.6	-0.2

CANTERBURY

Waimakariri - Rangiora/Kaiapoi	Flat	2	796	6	350 - 435	390	5.4	18.2	472700	0.5	53.1	4.3	4.9	-22.8

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RENTAL & SALES STATISTICS MAY 2023

RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Waimakariri - Rangiora/Kaiapoi	House	3	4316	27	465 - 538	500	8.7	25.0	647400	-2.0	52.5	4.0	10.9	-18.0
Waimakariri - Rural Waimakariri	House	3	3773	45	520 - 580	565	7.6	37.8	683800	-3.6	54.9	4.3	11.6	-11.0
Christchurch - Redcliffs/Sumner	House	3	2202	21	550 - 720	640	1.6	42.2	1043250	-4.3	52.4	3.2	6.1	-6.7
Christchurch - Woolston/Opawa	Flat	2	908	12	363 - 408	395	10.3	33.9	413250	-5.0	42.4	5.0	16.1	-6.0
Christchurch - Woolston/Opawa	House	2	785	27	428 - 481	460	15.0	31.4	512000	-4.8	55.1	4.7	20.8	-15.3
Christchurch - Woolston/Opawa	House	3	2987	39	475 - 550	520	10.6	33.3	585700	-7.4	62.4	4.6	19.4	-17.9
Christchurch - Woolston/Opawa	House	4	897	12	600 - 719	640	13.3	45.5	782150	-4.9	58.1	4.3	19.2	-8.0
Christchurch - Aranui/Bromley/Bexley	House	3	3365	18	470 - 550	500	11.1	34.4	515200	7.8	63.0	5.0	3.1	-17.5
Christchurch - North Beach/New Brighton/Southshore	House	2	1047	15	400 - 480	458	15.1	50.2	502100	2.1	62.9	4.7	12.7	-7.8
Christchurch - North Beach/New Brighton/Southshore	House	3	2942	15	491 - 545	515	3.0	32.1	581400	0.8	56.2	4.6	2.2	-15.5
Christchurch - North Beach/New Brighton/Southshore	House	4	724	0	-	0	0.0	0.0	716150	0.4	50.1	0.0	0.0	0.0
Christchurch - Styx/Parklands	House	3	2263	18	500 - 600	550	5.8	37.5	666400	-2.2	37.2	4.3	8.2	0.2
Christchurch - Styx/Parklands	House	4	1764	12	643 - 723	668	11.3	31.0	969550	3.0	55.7	3.6	8.1	-15.8
Christchurch - Marshland/Redwood	House	3	2673	33	500 - 580	540	9.1	31.7	664550	-7.1	51.0	4.2	17.5	-12.8
Christchurch - Marshland/Redwood	House	4	2350	15	615 - 700	665	11.8	30.4	863950	-10.2	43.9	4.0	24.4	-9.4
Christchurch - Linwood/Phillipstown	Flat	2	1393	24	358 - 400	380	11.8	28.8	395950	0.8	56.1	5.0	10.8	-17.5
Christchurch - Linwood/Phillipstown	House	2	376	72	410 - 480	460	12.2	37.3	484250	-2.1	51.0	4.9	14.6	-9.1
Christchurch - Linwood/Phillipstown	House	3	1217	24	468 - 530	500	9.9	28.2	536550	2.4	53.1	4.8	7.3	-16.3
Christchurch - Sydenham/Waltham	Flat	2	1056	15	360 - 407	385	11.6	28.3	444200	-6.1	52.3	4.5	18.9	-15.7
Christchurch - Sydenham/Waltham	House	2	334	51	450 - 490	480	11.6	26.3	543700	-4.7	48.5	4.6	17.2	-15.0
Christchurch - Sydenham/Waltham	House	3	761	42	485 - 600	538	12.1	34.5	622850	-5.8	53.9	4.5	19.0	-12.6
Christchurch - St Martins/Beckenham/Huntsbury	House	3	1565	21	530 - 683	610	17.3	32.6	900500	7.9	71.0	3.5	8.7	-22.4
Christchurch - Westmorland/Cashmere/Barrington	House	3	1649	12	600 - 645	600	7.1	23.7	917650	-0.8	47.9	3.4	8.0	-16.3
Christchurch - Westmorland/Cashmere/Barrington	House	4	1715	9	743 - 875	785	18.9	44.8	1216450	-3.6	52.8	3.4	23.4	-5.2
Christchurch - Spreydon/Somerfield	House	3	2522	42	505 - 598	550	12.7	29.4	666000	-8.0	45.7	4.3	22.5	-11.2
Christchurch - Spreydon/Somerfield	House	4	517	12	610 - 650	650	11.1	41.3	781800	-15.8	41.9	4.3	31.9	-0.4
Christchurch - Hillmorton/Hoon Hay	House	3	2375	36	520 - 600	580	16.5	37.4	644800	-5.2	50.8	4.7	22.8	-8.9
Christchurch - Richmond/Shirley	House	3	2099	27	466 - 548	500	4.2	26.6	587450	-6.7	50.3	4.4	11.6	-15.8
Christchurch - Merivale/St Albans West	Flat	2	924	15	380 - 438	390	2.6	18.2	596900	-1.0	48.9	3.4	3.7	-20.6
Christchurch - St Albans North/Mairehau	House	3	1487	27	558 - 684	620	18.5	45.9	853350	2.4	57.2	3.8	15.7	-7.2
Christchurch - Fendalton/Strowan/Bryndwr	House	3	1513	39	565 - 785	675	22.7	50.0	1283650	4.4	51.2	2.7	17.6	-0.8
Christchurch - Fendalton/Strowan/Bryndwr	House	4	1907	33	635 - 875	720	5.9	28.6	1711800	-1.3	57.1	2.2	7.2	-18.2
Christchurch - Riccarton	Flat	2	1180	18	393 - 439	420	5.0	22.8	520300	-1.8	49.6	4.2	6.9	-17.9
Christchurch - Riccarton	House	2	289	30	408 - 500	440	1.6	22.2	651750	-0.1	53.5	3.5	1.7	-20.4
Christchurch - Riccarton	House	3	885	63	480 - 561	505	3.1	14.8	748500	-8.8	34.0	3.5	13.0	-14.3
Christchurch - Sockburn/Upper Riccarton	House	3	1239	27	510 - 590	530	10.4	24.1	634750	-11.6	40.6	4.3	24.9	-11.7
Christchurch - Halswell/Wigram	House	3	4577	72	550 - 620	580	7.4	20.8	733400	-11.4	45.4	4.1	21.3	-16.9
Christchurch - Halswell/Wigram	House	4	4277	54	650 - 750	700	11.1	29.6	947350	-5.6	35.4	3.8	17.7	-4.2
Christchurch - Hornby/Islington/Hei Hei	House	3	3385	39	490 - 560	525	9.4	31.3	614750	-4.2	49.5	4.4	14.2	-12.2
Christchurch - Ilam/Westburn	House	3	818	33	510 - 580	550	10.0	29.4	764900	-8.6	36.9	3.7	20.3	-5.5
Christchurch - Avonhead/Yaldhurst	House	3	2461	36	520 - 600	560	9.8	25.8	691200	-4.5	34.6	4.2	15.0	-6.5
Christchurch - Avonhead/Yaldhurst	House	4	1670	27	596 - 700	650	8.3	34.0	834900	-9.2	34.6	4.0	19.3	-0.4
Christchurch - Burnside/Harewood	House	3	1935	24	513 - 595	560	8.7	30.2	731000	-4.7	50.7	4.0	14.2	-13.6
Christchurch - Burnside/Harewood	House	4	1116	15	628 - 745	655	8.3	31.0	925500	-8.0	33.4	3.7	17.6	-1.8
Christchurch - Bishopdale/Papanui	House	2	542	18	460 - 540	488	13.5	35.6	607600	-6.5	45.3	4.2	21.4	-6.7
Christchurch - Bishopdale/Papanui	House	3	2685	42	513 - 580	550	3.8	31.0	718800	-11.4	44.7	4.0	17.1	-9.5
Christchurch - Sawyers Arms/Northcote/Belfast	House	3	4455	51	491 - 570	543	8.6	29.3	659400	-4.8	37.2	4.3	14.1	-5.7

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RENTAL & SALES STATISTICS MAY 2023

RENTAL AREA	TYPE	BEDS	NO. OF PROPERTIES	NO. OF BONDS	RENT QUARTILE RANGE	MEDIAN RENT			MEDIAN VALUE			YIELD		
						CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE	CURRENT	1 YR CHANGE	5 YR CHANGE
Christchurch - Sawyers Arms/ Northcote/Belfast	House	4	2368	21	605 - 708	645	13.6	29.0	944800	-5.1	28.9	3.5	19.7	0.1
Banks Peninsula/Selwyn - Both Districts	House	2	1857	24	375 - 480	440	10.6	25.7	597650	-9.4	48.2	3.8	22.0	-15.2
Banks Peninsula/Selwyn - Both Districts	House	3	8226	84	465 - 595	550	7.8	25.0	739200	-2.8	41.4	3.9	11.0	-11.6
Banks Peninsula/Selwyn - Both Districts	House	4	8466	69	600 - 678	630	8.6	26.0	983850	3.5	59.8	3.3	4.9	-21.1
Ashburton - Entire District	Flat	2	774	15	320 - 355	345	15.0	23.2	368600	0.1	54.7	4.9	14.9	-20.4
Ashburton - Entire District	House	2	845	24	344 - 393	370	5.7	23.3	423350	2.6	47.1	4.5	3.1	-16.2
Ashburton - Entire District	House	3	5080	72	400 - 480	440	10.0	29.4	509050	4.6	46.3	4.5	5.1	-11.6
Ashburton - Entire District	House	4	1879	15	450 - 550	500	11.1	31.6	679250	-0.9	39.4	3.8	12.1	-5.6
Timaru - Timaru Township	Flat	2	1112	9	310 - 380	330	4.8	26.9	385200	4.2	42.3	4.5	0.5	-10.8
Timaru - Timaru Township	House	2	1375	36	360 - 418	380	0.0	28.8	416500	-0.3	43.4	4.7	0.3	-10.2
Timaru - Timaru Township	House	3	5609	48	425 - 480	450	7.1	32.4	515600	2.7	38.5	4.5	4.3	-4.4
Timaru - Rural Timaru/Temuka/ Geraldine	House	3	2524	24	405 - 473	430	16.2	30.3	487850	5.9	42.6	4.6	9.8	-8.6
MacKenzie/Waimate - Both Districts	House	3	2285	24	400 - 500	440	16.4	63.0	608200	11.9	44.6	3.8	4.0	12.7
Waitaki - Entire District	House	2	1337	18	330 - 380	360	5.9	38.5	418550	1.8	71.6	4.5	4.0	-19.3
Waitaki - Entire District	House	3	4473	33	400 - 463	428	9.7	42.7	498800	5.1	59.8	4.5	4.4	-10.7

OTAGO

Central Otago - Entire District	House	2	1002	12	390 - 528	440	7.3	37.5	628700	0.9	62.4	3.6	6.3	-15.4
Central Otago - Entire District	House	3	4405	48	500 - 600	550	11.1	37.5	743900	-5.7	49.1	3.8	17.8	-7.8
Queenstown Lakes - Wanaka	House	3	2808	57	630 - 740	700	12.0	30.8	1472750	1.7	74.4	2.5	10.1	-25.0
Queenstown Lakes - Wanaka	House	4	2133	24	750 - 950	880	25.7	46.7	1922350	-1.7	65.2	2.4	27.9	-11.2
Queenstown Lakes - Queenstown/ Frankton/Arrowtown	House	3	3029	63	769 - 950	850	18.9	17.7	1769100	7.1	62.7	2.5	11.0	-27.6
Queenstown Lakes - Queenstown/ Frankton/Arrowtown	House	4	2382	24	938 - 1103	1000	25.0	25.0	2109850	-1.8	42.7	2.5	27.3	-12.4
Dunedin - Musselburgh/Vauxhall/ Peninsula	House	3	2737	33	520 - 584	550	1.9	35.8	698500	-2.3	63.6	4.1	4.2	-17.0
Dunedin - Kew/St Clair/St Kilda East	House	3	1987	36	540 - 700	570	5.6	52.0	606700	-7.9	68.2	4.9	14.6	-9.6
Dunedin - North East Valley/Pine Hill	House	3	1193	33	420 - 550	460	-0.6	39.4	521550	-9.9	59.7	4.6	10.3	-12.7
Dunedin - Glenleith/Roslyn/ Belleknowles	House	3	2627	57	530 - 615	580	5.5	45.4	623150	-12.3	55.9	4.8	20.2	-6.8
Dunedin - Kenmure/Mornington	House	3	1999	27	493 - 595	515	7.3	34.8	568200	-18.3	62.8	4.7	31.3	-17.2
Dunedin - Sunnyvale/Abbotsford/ Burnside	House	3	2652	18	535 - 601	558	-3.0	50.0	591100	-11.0	54.6	4.9	9.0	-2.9
Dunedin - Mosgiel	House	3	2756	27	463 - 618	580	9.4	52.6	681200	-11.4	55.4	4.4	23.5	-1.8

SOUTHLAND

Clutha/Southland - Both Districts	House	2	2057	18	278 - 360	340	6.3	51.1	366200	-2.8	97.6	4.8	9.4	-23.5
Clutha/Southland - Both Districts	House	3	7337	63	380 - 450	400	8.1	56.9	451250	0.8	66.3	4.6	7.2	-5.7
Clutha/Southland - Both Districts	House	4	2132	12	338 - 463	410	0.5	28.1	569700	1.0	56.4	3.7	-0.5	-18.1
Gore - Entire District	House	3	2536	30	350 - 443	385	6.9	40.0	395500	1.0	78.2	5.1	5.9	-21.4
Invercargill - Central Invercargill/Bluff	Flat	2	656	21	328 - 375	340	1.5	65.9	311300	-10.8	67.7	5.7	13.8	-1.1
Invercargill - Central Invercargill/Bluff	House	3	2649	30	399 - 505	433	3.1	50.9	390350	-7.3	47.2	5.8	11.3	2.5
Invercargill - Suburbs	Flat	2	1116	6	355 - 388	375	0.0	70.5	360650	-7.9	63.4	5.4	0.0	4.3
Invercargill - Suburbs	House	2	1001	27	371 - 440	420	10.5	61.5	434850	-4.9	60.3	5.0	16.2	0.7
Invercargill - Suburbs	House	3	9202	114	420 - 480	450	4.7	60.7	450200	-6.2	79.7	5.2	11.6	-10.6
Invercargill - Suburbs	House	4	2463	18	483 - 550	515	5.1	47.1	613850	-5.1	63.1	4.4	10.7	-9.8

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The data is for the month ending February 28, 2023

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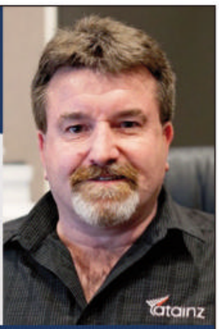

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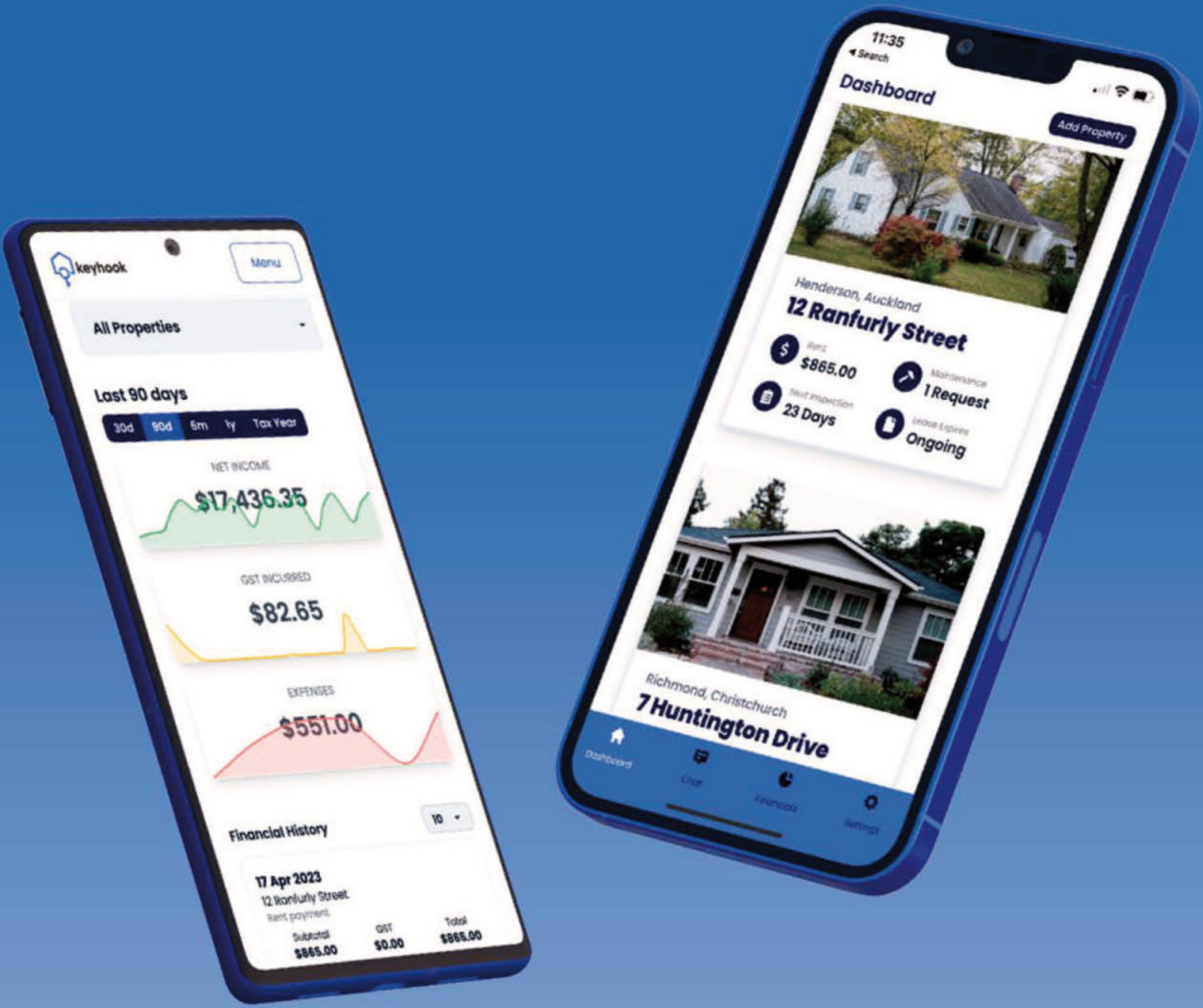
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